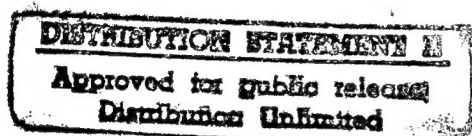


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# ***JPRS Report***



## **East Europe**

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# East Europe

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## CONTENTS

6 March 1992

### CZECHOSLOVAKIA

Status of Federal, Czech, Slovak Constitutions [LIDOVE NOVINY 4 Feb]	1
Czechs No Longer Certain About State's Form	3
Czechoslovak State in Historical View [PRITOMNOST No 1, 92]	3
Realism Urged [CESKY DENIK 15 Feb]	5
Buresova's View Called Illusion [LIDOVE NOVINY 15 Feb]	7
Statistical Data on Private Sector in CR [HOSPODARSKE NOVINY 4 Mar]	7
1991 Average Wage Development Outlined [HOSPODARSKE NOVINY 3 Mar]	8
Statistical Survey of Contemporary Prague [DOKUMENTACNI PREHLED 9 Jan]	9

### HUNGARY

Foreign Policy 'Dilemmas' Viewed [MAGYAR HIRLAP 27 Feb]	11
Antall's Address to MDF National Convention [MAGYAR FORUM 9 Jan]	12
KDNP Official Views Tasks, Prospects [UJ MAGYARORSZAG 27 Feb]	20
Parliament To Discuss Plans To Modernize Planes [NEPSZABADSAG 26 Feb]	20
Labor Affairs Official Views Unemployment [MAGYAR NEMZET 2 Mar]	21
National Prison Commander Views Situation, Tasks [UJ MAGYARORSZAG 3 Mar]	22

### POLAND

Labor Solidarity Leader Proposes Economic Program [POLITYKA 8 Feb]	24
ZChN's Political Success, Program Described [PRZEGLAD TYGODNIOWY 24 Jan]	27
Regional Administrative Units vs. Lobbies Viewed [TRYBUNA SLASKA 13 Jan]	32
Conflicts in Soviet Troop Withdrawals Discussed [GLOS WYBRZEZA 25-26 Jan]	33
Trade with Post-Soviet Countries Examined [SLOWO POLSKIE 27 Jan]	35
Drawbacks of Stock Sales Pointed Out [RZECZPOSPOLITA 10 Feb]	36

### ROMANIA

Official on Public Administration Tasks, Elections [AZI 25 Feb]	38
Interior Ministry Mission, Problems Discussed [ROMANIA LIBERA 7 Feb]	38
Newly Appointed Bucharest Prefect Outlines Tasks [AZI 25 Feb]	40
Spiroiu Comments on Weapons Production, Exports [ROMPRES 3 Mar]	41
Law on Vacation, Other Benefits for Workers [MONITORUL OFICIAL 10 Feb]	41

## Status of Federal, Czech, Slovak Constitutions

92CH0336A Prague LIDOVE NOVINY in Czech  
4 Feb 92 p 9

[Report by Alena Slezakova, Roman Krasnický, and Vladimír Bacinský: "Information on the Status of the Constitution"]

[Text] Approval of the constitution before the parliamentary elections was one of the preelection promises of the current government coalition. Isolated voices still insist that it will be possible to keep this promise, but the majority of the politicians doubt that the current representative bodies will be capable of approving the constitution. What then is the status of the proposals for all three constitutions and what hopes are there for their approval?

### The CSFR Constitution: A Jurisdictional Hiding Place

After what took place in the first days of the 20th joint session of the FS [Federal Assembly], the question implied in the title is totally appropriate. Let us remember that the parliament did not approve the proposal for a constitutional law, according to which the federal constitution would have been approved by the national councils and that the discussion of the deputies' proposal for rewriting three chapters of the existing constitutional arrangement was put off, obviously until 17 February, after the expected conclusion of discussions by the leadership of the national councils.

The actual status is thus that the deputies' commission and the expert commission operating within it have prepared a proposal for a CSFR constitution. In one substantial part dealing with jurisdiction, however, the proposal cannot be completed because it is dependent on the results of the discussion of the national councils on delimiting the authority of the republics and the federation. First Deputy Chairman of the FS, Z. Jicinský, describes the distribution of authority between the federation and its member states as the key problem of every federation. And it is just this problem connected with a treaty between the national councils (or a treaty between the two republics according to many Slovak representatives) that has not yet been resolved in the Czech-Slovak discussions.

The existing proposal for a federal constitution starts off with the existing distribution of authority according to the jurisdictional law of December 1990 and may thus possibly have to be reworked in this portion.

According to current ideas, what form should the constitution take? Jicinský says, "The prevailing opinion is that a bill of basic rights and freedoms should be included in it. The constitution would thus have a completely classic structure. The basic provisions concern the nature of the state and its basic characteristics, which would then be followed by a bill of rights further

laying out what falls under the authority of the federation. Another three chapters would determine the legislative power, the head of state, and the executive power (that is, the position of the federal parliament, the president, and the federal government). The seventh chapter lays out the position of the constitutional court and the judiciary in general. The eighth chapter of the proposal contains general, transitional, and concluding provisions. It defines, among other things, the state symbols, the capital city, and such things, for example, as a state of threat to the state."

(Most people think of war under the concept of a threat to the state. It can, however, involve a large-scale natural or ecological catastrophe. If something like that should, God forbid, happen, special measures can be declared in accordance with the envisioned constitutional arrangement. These measures can limit, to the extent to which the law allows, the rights and freedoms guaranteed by the bill. Beyond that degree, it is possible, for example, to forbid the movement to or stay in certain areas and assembly can be subject to the permission of agencies of the state and public administration. The conditions and methods of declaring and lifting a state of threat are set out by a law of the FS.)

The constitutional text prepared is understood to be a working draft because a number of its provisions can be affected by the results of discussions by the national councils. It was therefore decided not to publish the proposal for the time being (only those three chapters of the deputies' rewriting are known). Nevertheless, what will happen if in February the parliament does not approve even the three chapters which have been negotiated?

"The existing constitutional arrangement will remain in effect," says Jicinský. "Personally, I think that it would be more advantageous to update at least those chapters dealing with the parliament, the head of state, and the government because this would get rid of the deficiencies connected with the time that the existing constitutional arrangement originated. It would certainly not be any disaster to hold elections for the FS under the current structure. However, this is not a matter just of the parliament and its new structure, but also of a more precise delimitation of the mutual relations of the president, the government, and parliament. The proposed arrangement corresponds better to the model and the rules of a parliamentary republic."

Scepticism prevails as to whether this rational approach will win out in parliament. A lot depends on the capabilities of the leadership of the national councils to reach some kind of conclusion and on the capabilities of the FS deputies to rise above personal or party wishes.

### The CR Constitution: A Priority to Federation

The CR [Czech Republic] constitution is divided into six chapters ("Basic Provisions," "The Legislative Power," "The Executive Power," "The Judicial Power," "Territorial Self-Government," and "General, Transitional,

and Concluding Provisions") and is conceived on the principle of citizenship and territory, rather than on nationality. We do not find an enumeration of the republic's areas of authority in the text, since according to Article 6, Chapter I, "all jurisdictions which are not explicitly entrusted to the federation in accordance with the CSFR constitution belong to the CR." The Czech constitution is thus deficient since it recognizes that principle of divided sovereignty (Article 32, Chapter II: "no law can be approved which is in conflict with the constitutional or other laws of the FS"). In this sense, sovereignty in the areas which belong to the republic is understood by the authors of the text and Article 1, Chapter I, as: "the CR is a sovereign democratic legal state." Another sign of the incompleteness of the constitution is that it does not include the complete Bill of Basic Rights and Freedoms, but only states that the LZPS [Bill of Basic Rights and Freedoms] is "an inseparable component part" of the constitution. In the opinion of D. Buresov, transferring the bill into the Czech constitution would create a threat of jurisdictional conflicts: Would the federal or the republic constitutional court resolve any conflicts which might arise? On the part of the Czechs, the federal constitution has a priority role in the overall process of putting constitutions into law because of the circumstances given above, the same as the treaty prepared between the CNR [Czech National Council] and the SNR [Slovak National Council] in which there is to be a brief description of the highest agencies of the federation. Article 7, Chapter I, refers to citizenship in the CR and thus presumes dual citizenship; in the republic and in the federation. In the opinion of one of the coauthors of the constitution, Professor D. Hendrych, dean of the Prague law faculty, this is one of the basic attributes of a federation. If dual citizenship is lacking, this indicates a unitarian or confederative state.

The legislative power (Chapter II) presumes the existence of a 200-member congress elected for four years. The constitutional proposal does not include the office of a Czech president, but contains two alternatives concerning the highest representative of the republic. In the first variant, which emphasizes legislative power (and toward which the majority of experts incline), the highest CR representative is the chairman of the congress, who is elected for the entire four-year period, represents the republic in external matters, and cannot be removed for political reasons (for example, a change in party membership). The nine-member leadership becomes more of an organizational unit. The so-called chancellor variant which strengthens the executive power (common in Germany) consists of the congress electing the chairman of the government who himself selects and removes the ministers and who becomes the main representative of the republic. Chapter V ("Territorial Self-Government") only states that the basic unit of territorial self-government is the municipality, which can associate with others in a union of municipalities. The text therefore does not exclude a solution within the CSFR based on lands, federation, or a triple federation

(in the near future the Czech government will debate a proposal for a law on self-government in the lands which it will probably receive at the April plenary session of the CNR). So far, the role of the referendum is unclear in the constitution. According to the first variation, it is possible to announce a referendum on a proposed CR law or "to judge other questions of basic importance," with it also being possible to have one announced on the basis of a request by 200,000 citizens. The other variation deals only with a referendum on remaining in the federation.

The Czech constitution was not worked out in coordination with the Slovak team, but the members of the CNR commission preparing it admit that there should at least be certain parallels in the derivation of the legislative and executive powers. The text of the proposal for a Czech constitution is the first working version of the experts who in July 1991 brought together the results of the work of the individual groups. Since that time, the text has not only become somewhat obsolete (it speaks of, for example, a federal council), but also has not to date been discussed either in the political clubs or in the CNR committees. This delay is explained by, among other things, the wait for the results of the discussions of the national councils on the state legal organization.

#### The SR Constitution: A Triune Paradox

The published proposal for a an SR [Slovak Republic] Constitution consists of the introduction and 11 chapters. They contain the basic provisions, basic rights and freedoms, the economy, the legislative power (SNR and referendum), the executive power (head of state, government, and local state administration), the judicial power (constitutional court, general judiciary, and public prosecutor), the supreme auditing agency, local self-government, the state symbols and the capital city, the joint state, and transitional and concluding provisions. Hidden beneath the apparent homogeneity of the text, however, there are three proposals for a constitution.

The first version is the product of the KDH [Christian Democratic Movement]. It starts with the idea that the constitution of the SR is concerned only with the problems of the Slovak Republic. The joint state figures only in Chapter X. It places the treaty mechanism as one between the two republics, which organize their relationships by means of a state treaty. The only exception is Article 9, which speaks of the priority of international law over law within a state. As Peter Tatar (ODU-VPN [Civic Democratic Union-Public Against Violence]) says, this creates an unwanted dilemma. If Chapter X were to be taken out of the constitution and all that remained was the "pure" constitution of the SR, this article would not be compatible with it at all.

The second version represents part of a coalition (ODU-VPN, DS [Democratic Party], MNI [Independent Hungarian Initiative], and MKDH-ES [Hungarian Christian Democratic Movement-Coexistence]). It firmly places the constitutional relations of the SR to the CSFR in the entire system of the SR constitution. This aspect reminds

one of the constitutions of the member states of the United States of America, which express the relationship of the individual states to the United States as a whole. The constitution of such a member state of a federation is totally compatible in its entire structure with the entire federal body of law.

The third approach represents the ideas of the HZDS [Movement for a Democratic Slovakia] and the SNS [Slovak National Party]. It showed up in the alternative Chapter X on the joint state. The HZDS proposed as an alternative some kind of "union of states." De facto this would be as if there were not a joint state, but some kind of loose confederation. It is not clear in the HZDS alternative with whom the SR would enter into a union. The alternative presumes some kind of state.

The actual text of the proposal for a constitution of the SR contains many unclear points, contradictions, and paradoxes. For example, in establishing the basic human rights and freedoms, it many times defers to a legal arrangement. To date, we do not know what this would be. No less interesting is the proposal for an office of Slovak president. This could be considered to be a certain indication of the unexpected breakup of the joint state. The authority itself of a Slovak president is in conflict with the Constitution of the CSFR which exists up to this time. The second paragraph of Article 2, "The state power can be used only on the basis of this Constitution and within its limits," is also in conflict with it. State power is applied on the territory of Slovakia, however, not only on the basis of the constitution of the SR, if we are talking about a joint state. Article 5 of the chapter on basic provisions declares Slovak to be the state language. It will obviously not be possible to use Czech for the federal agencies in the future. Articles 169 and 176 are also problematic, as according to them citizens of the Czech Republic who have a permanent residence on the territory of the SR have the same rights and obligations as a citizen of the SR "unless this Constitution states otherwise." In other words, it allows for the possibility that citizens of the CR can give up their rights on the territory of the SR because these are not more specifically stated.

### Czechs No Longer Certain About State's Form

#### Czechoslovak State in Historical View

92CH0350A Prague PRITOMNOST in Czech  
No 1, 92 pp 6-7

[Article by Jan Rychlik: "A Unitary State: A Czech Illusion"]

[Text] Every one of us prefers simple solutions. In the mind of the average Czech citizen, these solutions also include a so-called unitary state. The image which is contributed to not a few times by shallow publicity appears as follows: After 1918, Czechoslovakia was a unified state with a single parliament, a single government, and a single constitution. In those days, calm,

order, and satisfaction was everywhere. Then came the constantly dissatisfied Slovaks and the evil Communists and forced a federation upon us, a federation for which no one cared. Some time ago (30 November 1991), CESKY DENIK commentator Pavel Cernocky drew the conclusion from these intentions, with a rashness which is peculiar to him, that if it was prior to 1948 that our citizens lost the final vestiges of democracy, when Czechoslovakia was a unitary state, it is now necessary to return to this solution. If the Slovaks do not like it, they can go wherever they wish....

But matters are not quite that simple. Primarily: Was it really the Communists who "forced" the federation upon the Czechs? Moreover: Was prewar Czechoslovakia really a unitary state? And besides: Would unitarism be a solution?

One thing is indisputable: By way of the agreement between Czech and Slovak patriotic associations, dated 1918 and known as the Pittsburgh Agreement (which turned out to be a political document binding both parties only morally and not legally), and by way of the international undertakings then signed 10 September 1919 with the treaty powers at St. Germain-en-Laye (No. 508/1921 Sb. [Collection of Laws]) dealing with matters of autonomy for Subcarpathian Ruthenia, Czech governing circles did try for a unitary state. The extent to which they actually succeeded is another question. Law No. 11/1918 Sb. took over the existing Legal Code, which meant that now as before, Austrian regulations and laws applied in the Czech Lands, whereas Hungarian regulations and laws were applicable in Slovakia and Ruthenia. Even administration and the court system remained ununified. Law No. 64/1918 Sb. established a ministry with full authority to administer Slovakia; offices patterned upon Prague ministries were established in Slovakia and a Civil Administration for Subcarpathian Ruthenia was similarly set up in Uzhorod where, on top of everything else, the Office of Governor came into being as the embryo of a future autonomous Subcarpathian Ruthenia (Government Regulation No. 356/1920 Sb.). Also, the Constitution of 29 February 1920 was compelled to accept the international obligations and that is why, in Section 3, Subcarpathian Ruthenia was assigned a special status, even though during the 20 years during which the republic existed virtually nothing was done in this regard. It is true that the government of the republic did the maximum possible for the unification of administration and the laws: A special unification ministry came into being and, in 1927, administration was unified, effective 1 July 1928, as a result of the introduction of a territorial administration (Law No. 125/1927 Sb.). Not even then, however, was unification complete. For example, Slovakia and Ruthenia retained municipal and circuit notary offices as the lowest links in state administration whereas, in the Czech Lands, these units did not exist; even the Office of Governor remained in Ruthenia, its existence was reconfirmed in 1937 (Law No. 172/1937 Sb.). Despite all efforts, it was not possible to successfully unify criminal



laws nor civic laws. The first republic was a unitary state only to the extent that a single legislative organ existed for the entire territory of the state and because there was a common supreme executive office (that is to say, the National Assembly and the government). However, it is not possible to speak of administrative unitarism, let alone of legal unitarism. In the final analysis, the unitaristic tendencies were buried after Munich when both Slovakia and also Subcarpathian Ruthenia were given broad legislative autonomy (Law No. 299/1938 Sb. and Law No. 328/1938 Sb.) and Czechoslovakia was thus changed into a relatively loose trifederation.

However, one cannot even speak of the fact that the majority of the non-Czech citizens was satisfied with the prewar unitarism and centralism; this was only wishful thinking on the part of the Prague ministerial officials: Central direction of the state turned out to be the simplest solution. This does not mean that the Carpatho-Ruthenians, the Slovaks, and the minorities agreed with it. Even the citizens of Moravia, particularly during the period of the so-called second republic (30 September 1938 to 15 March 1939) were demanding a greater measure of autonomy.

As far as the further development of Czechoslovakia is concerned, it was not renewed as a unitary state in 1945 in any event. When the Slovak Uprising occurred in 1944 in Slovakia and when the Slovak National Council [SNR] met on 1 September at its first public session, it issued a decree, Section 1 of which reads as follows: "The Slovak National Council carries out all legislative, government, and executive power in Slovakia" (SNR Decree No. 1/1944 Zb.n.SNR [Collection of Decrees of the Slovak National Council]). It was possible to explain this either by contending that the SNR, in view of the fact that the government in London was unable at the moment to in fact govern in Slovakia, was carrying out its functions or that the SNR was assuming sovereignty over Slovak territory and that it was up to it alone as to how much authority it would cede in the future to joint Czechoslovak organs. The Czech public in the protectorate, President Benes, and the exile government in London, much the same as Slovak Czechoslovaks headed by Vavro Srobar, interpreted the decree by the first method. However, when Frantisek Nemec, the government delegate for liberated territories, arrived at Banska Bystrica, it turned out that Benes was living a dangerous illusion because the majority of the SNR (and all of the Slovak public) perceived the decree as being some kind of an expression of the confirmation of the continued existence of Slovak statehood, albeit within the Czechoslovak framework. A special delegation of the SNR was dispatched to London, but before the negotiations were completed, Banska Bystrica fell into the hands of the German Army.

When the SNR met in at least its partial composition following the liberation of eastern Slovakia, it was already in a different situation than had been the case in the fall of 1944 because its power over Slovakia

depended on the willingness of Soviet military authorities; of course, these authorities were obligated to hand over power to the Czechoslovak Government, in accordance with an agreement with Benes. Even so, the standing of the SNR was still strong enough, something which was demonstrated during the negotiations in Moscow and subsequently at Kosice. The Kosice government program then actually dealt with the special position of Slovakia and the Slovak political representation at that time was already pressing for a federal arrangement. It is true that, as a result of resistance by the Czech side, the creation of Czech national organs did not come about. The central government, thus, in fact was carrying out dual activities; while it was making decisions over the entire territory of the state with respect to selected questions, its power was in fact restricted only to the Czech Lands; Slovakia was controlled by a Corps of Commissioners (as the executive organ, using present-day government terminology) and by the Slovak National Council. This status was confirmed by the first as well as the second Prague agreement (1945 and 1946).

While the myth that the federation was the work of the Communists prevails in the Czech Lands, the public in Slovakia is living under the conviction that the Communists actually liquidated autonomy. Even if matters are not quite that simple, the Slovak view is closer to the truth. When, on 26 May 1946, the Communist Party lost the election in Slovakia, it decided to utilize the victory of the partner KSC [Communist Party of Czechoslovakia] on a statewide scale. With the assistance of the Czech parties—primarily the nationally shortsighted National Socialists—it pushed through a so-called third Prague agreement according to which Slovak autonomy was compressed to a minimum. The Slovak Corps of Commissioners became responsible to Prague ministries and, after arbitration proceedings (in the case of conflicts) the constitutional assembly and the government could modify any matter anywhere in the state. Although the Slovak organs were left with both legislative and also executive power in questions pertaining solely to Slovakia, developments were undoubtedly heading toward centralism....

Slovak Communists believed that following the "final victory of the working people" power would be returned to them in Slovakia. However, this was a naive expectation because no government would, as a rule, voluntarily give up its power. Following the February coup, the 9 May Constitution (Constitutional Law No. 150/1948 Sb.) still further limited the authority of Slovak organs. Precisely the opposite method as had been anticipated by the original Prague agreements was chosen: central Prague organizations could decide on all matters, the SNR could decide only on specifically outlined matters or on matters on which the central organs agreed. Even though the question of the authority of the Slovak National Council was the subject of an amendment in the 1950's, it had no significance in terms of practice. Under conditions of a communist government, the centralistic KSC, of which the KSS [Communist Party of

Slovakia] became a part following the February coup, continued to act independently. The final phase in the liquidation of Slovak organizations then occurred in the so-called socialist Constitution of 1960, which disestablished the Corps of Commissioners as a collective organ of executive power.

The Communists then proceeded on the basis of a notion that they had definitively solved the Czecho-Slovak question by industrializing Slovakia. Viliam Siroky (who, with Gottwald's help after February 1948 rid himself of insurgent competitors in the image of Husak and company by sending them off to Leopoldov on the basis of accusations that they had betrayed the uprising) was basing his actions on the calculation that the Slovak people would exchange the demand for its own statehood for material well-being. However, such a calculation was totally in error. Nations do not demand their own statehood when they are materially and culturally deprived, but, precisely to the contrary, once their material and cultural aspirations have already been fulfilled. The example of the Czechs in the framework of Austria is generally the best example of this.

The centralist policy which culminated under the dictatorship of Novotny after 1960 very quickly gave rise in Slovakia to a nationalistic opposition, led by reform Communists and by the liberal intelligentsia. Thus, the Prague Spring of 1968 was, in many respects, actually only a continuation of the Spring of Bratislava. The federation called for in 1968 was nothing other than an attempt to return to 1945—although, of course, under the leadership of the Communist Party and only as far as the constitutional arrangement was concerned. It is a well-known fact today that it was precisely Husak who, in the spring of 1968, was promoting just such an arrangement with the commission for the preparation of the federation which is being demanded today by the Slovak representation. The idea was to establish Czech organs which, together with Slovak organs, would have a kind of basic sovereignty, part of which they would delegate to the joint organs.

It is questionable whether a system of this type could be functional; what is not disputed, however, is the fact that it is not realizable in any event under conditions of so-called real socialism. Moreover, the Soviet occupation in August 1968 and the speeded-up adoption of Constitutional Law No. 143/1968 Sb. on the Czecho-slovak federation, dated 28 October of that year, were the reasons why the new arrangement was dead on arrival. It not only preserved the leading role of the Communist Party of Czechoslovakia, which was basing itself on "democratic centralism," but it preserved the institution of unified planning. Both are totally incompatible with the idea of federalism. Husak himself, as soon as he acquired the post of first secretary of the Communist Party of Czechoslovakia, lost interest in the federation. In Slovakia, Viliam Siroky was not much more popular as a personality than he had been in the 1950's. Ethnic origin by itself means only very little in questions of nationality relationships. It is sufficient to

recall that the biggest Greater Russian chauvinist was the Georgian Dzhughashvili—Stalin.

In many respects, the present situation in Czecho-Slovak relationships is similar to that which existed in 1945 and 1968. It is difficult to tell responsibly the extent to which a loose federation is functional. To the extent to which it could exist for at least another 20 years, it is worth trying for. However, one thing it is possible to state with certainty and that is that the noncritical benevolent unitarism of the pre-Munich republic is no solution because it is unacceptable to the absolute majority of the Slovak (but it seems also for a part of the Moravian) population—completely without regard to the personalities staffing the central offices or without regard to the share of Moravia and Slovakia in the national income. Also, no one should fall prey to the illusion that we would definitively solve all problems as a result of Slovak secession. Where is the guarantee that the disintegration of the state will stop at the Morava River and would not continue in the direction of Ceska Trebova? Even if this danger is not the threat of the moment, the Moravian question can easily become transformed into today's question of Slovakia sometime in the future. The doctrine on the preservation of a nonfunctioning Czechoslovakia at any price is being defended today only in some political bodies. However, if we are going to foist unitarism upon Slovakia, there can be no doubt that this will more or less accelerate the destruction of the state.

### Realism Urged

92CH0350B Prague *CESKY DENIK* in Czech  
15 Feb 92 p 7

[Commentary by Petr Placak: "On the Czechoslovak Question"]

[Text] It is downright surprising to see the kind of emotions caused on the Czech side by the question of the existence of Czechoslovakia. Very few people are capable of taking a look at the present, the past, and the future of Czechoslovakia with detachment. After the majority of their ideals suffered considerable fissures in the course of the 20th century, the older generations are primarily left with the gratifying picture of Masaryk's first republic. I do not say so with disrespect; it is sad, we have lost a historic dimension—ourselves. Thus far, we have not proven capable of more resolutely coming to terms with our contemporary history. This is also thanks to the last 50 years of lacking freedom.

In Bohemia, we have two political representations—the federal and the Czech—which you cannot, however, tell one from the other. The federal government naturally defends the interests of the federation and the Czech government does its best to help it where it can. Over these past two years, it is possible to characterize Czech policy as the policy of appeasement and concessions to the Slovak side. Once and only once did the Czech government stand up for its Czech electorate (in the question of redistribution) and demanded guarantees of

a joint state from the Slovak side. It failed to obtain these guarantees and immediately retreated. Despite its lack of clarity, changeability, and the use of "nontraditional" political methods, the Slovak political representation does have one aspect which tends to unify the Slovak political scene. This is its national policy which we should not consider to be only something negative. On the other hand, the Czech side is missing its own carrier program which would point the way to the future and stands and falls with the federation. Moreover, it is not capable of understanding and accepting the Slovak emancipation efforts, it overlooks them and trivializes them as manifestations of immature nationalism from the previous century. It thus only shows that it is not much better off than the Slovak side.

In the Czech Lands, there still does not exist any kind of express political force which would not hitch its efforts to an imaginary Czechoslovakia, but which would attempt to build on something firm, something which makes sense, something capable of valorizing the effort expended. This means having to work on the political, economic, and cultural renaissance of the Czech Lands, to rehabilitate the CZECH STATE!

It is more surprising and incomprehensible that even the rightist parties favor federation and, at the same time, it is abundantly clear that, just from the political standpoint alone, this will result in catastrophe at the federal level—communist-type parties, which are expressly strengthened precisely by Slovakia will have the main say in a federal parliament. It is certainly no coincidence that in the Sunday program entitled "That Was the Week That Was" Slovak Communists took a vehement position in favor of a joint state. Under such circumstances, there will be two possibilities—either to create a communist federal government or they will be in the opposition (a third possibility, creation of a government coalition with the ODS [Civic Democratic Party] is something I do not anticipate, even though obviously everything is possible in this state). Because the Communists are well-versed in politics, they will elect the second possibility—the role as the opposition—which will be so strong that the parliament will become a farce. The Czech side will then have no alternative, if it wishes to continue with the existing economic policy, but to boycott the federal organs, precisely in the same manner as is being done by the Slovak side. This will again be a sensitive situation and sooner or later, one way or another, this will lead to the disintegration of the state, something which will result only in disharmony regarding the economic policies of both republics—the Czech side is firming up the koruna at the expense of the citizens of the Czech Republic, the Slovak side is devaluing the currency to benefit the citizens of the Slovak Republic. The profederal positions of the rightist parties, which are speaking out as the principal guarantors of the economic and political changes in the country, demonstrate their immaturity. All of them are still prisoners of mirages which need not only be called socialism.

Many people recognize the reasons which speak in favor of a quiet breakup of the current federation, but they are afraid that a dictatorial regime might come into being in Slovakia. These are more than groundless fears. Slovakia lies at the center of Europe. Neither from the economic nor from the political viewpoint could it afford any kind of undemocratic system. On the contrary, that which sustains nationalists in Slovakia would disappear—the federation. They would then have to damn quickly begin making constructive policy. It is the preservation of the federation that poses more of a danger. Thus far, we have not reached the bottom of the economic crisis which will impact particularly hard on Slovakia. I can imagine how Slovak nationalist forces will make use of this difficult situation in their assault upon everything which is in any way connected with Prague. The fact that then a truly explosive atmosphere could develop in Slovakia with all its accompanying manifestations, including violence, is more than likely.

It is certain that the Czech Lands by themselves will prove capable of stabilizing themselves much more rapidly from the economic and political standpoints and will be able to integrate with West Europe than is the case involving a disorderly "federation." The economic and political consolidation of the Czech Lands would, however, also have a great positive influence on Slovakia itself, for which a direct road to Europe would open up.

Some people, particularly the older ones, see Czechoslovakia also as some kind of guarantee against the "German danger." This is ridiculous and has to do with our national xenophobia. It was truly laughable when Minister Dobrovsky spoke on television and used the map of Czechoslovakia to justify why, from a military-strategic viewpoint, it is necessary to preserve a common state. It must be clear to everyone at first glance at the Czechoslovak "noodle" that, from the military-strategic viewpoint, Czechoslovakia is nonsense. Our security can be assured only together with the security of all of Europe—in this scheme, however, the army of Mr. Dobrovsky unfortunately does not play and will not play any kind of a role.

A stabilized state, even if it is not so large, has a chance for relatively rapid integration among the groups of states which are recognized and valued, such as, for example, Luxembourg, which is several times smaller than Bohemia. Toward this end, however, we need to concentrate forces upon the renewal of society and upon concluding the transformation of the economy. If the federation is to continue after the elections, we shall again be exhausting our forces in divergent and frequently antagonistic approaches by the Czech and Slovak side to problems which have arisen, in the nonfunctioning of the federal apparatus. The way forward is clearly in the partition of the state. To hazard with a federation in these times of maximum sensitivity is worthy of punishment.



### Buresova's View Called Illusion

92CH0350C Prague LIDOVE NOVINY in Czech  
15 Feb 92 p 3

[Commentary by Jiri Hanak: "For Test Purposes"]

[Text] To hoodwink people is the admirable characteristic of some Czech politicians. Most recently, the chairperson of the Czech National Council, Dagmar Buresova, took on the role of the demonstrator of this capability. She was relieved to find out that the voting in the Presidium of the Slovak National Council [SNR] "was only for test purposes." That vote, which virtually wrecked the proposal for a constitutional agreement which came out of Milovy and, at one stroke, turned our common state into a "test" state.

I have no idea how one votes for test purposes. Is the hand raised only halfway up? Or perhaps only the left hand, which is worth less? But perhaps we are dealing with a verbal method of voting when a delegate says: I am in favor, but only a little! Or several votes are taken and one vote is then described as being the right one, for real, not for training purposes? Is test voting known in the British Lower House or in the Congress of the United States? I do not know, but our elected representatives know it full well if they believe such a thing. Let us be surprised.

We are well-trained in being surprised, much like a Buddhist is trained in meditation. After all, ever since Trencianske Teplice, everything has been a surprise and a test. Let us recall, for what it is worth, a theory put forward by the slender Vladimir Meciar on the occasion of the initial jurisdictional negotiations (where are the times of the "authentic federation?"): I want 200, I will ask for 250, and I will get 230! Instead of the Czech side drawing its sword of rationality, of healthy stubbornness and good sense in the face of such horse-trading methods, we began to "put ourselves in the shoes" of the other side. And we empathized at Luhacovice and we empathized at Kromeriz, at Budmerice, and at Hradecek, at the Vikarka, at Papiernicka, and wherever we were asked to do so. The results could not but show up. Today, we will have to put ourselves in the shoes of a joint state for test purposes. There can be no doubt that the rejection of the Milovy accords by the Presidium of the SNR signaled the beginning of the death knell for the common state of Czechs and Slovaks.

However, let us also utter a word of apology and understanding for those unhappy persons who must pretend on television that they believe in trial voting. After Vladimir Meciar was replaced by Jan Carnogursky as Slovak prime minister, it seemed that there was still hope for a sensible solution of the constitutional arrangement. Not perhaps because Jan Carnogursky was less tough and yielding as a negotiator. On the contrary. It was he who came up with the idea of an interstate agreement between the Slovak Republic and the Czech Republic: a sort of arrangement moat, reinforced with water and barbed wire. However, despite all of his

hardness, Jan Carnogursky never lost the image of a person who wants to come to an agreement without the skinny one's tricks and other devices, despite all of his outbursts about the Slovak star and independence within 10 years.

Once the federal stallion was seemingly beyond the hurdle, of course, with the assistance of bilateral compromises, it was perhaps finally possible to see on what kind of unsteady ground all of these negotiations took place. It turned out that Jan Carnogursky is not the KDH [Christian Democratic Movement], that the KDH is not a single party, and that the Slovak political scene today is a Babylon with many entrances, but no exits. What do public opinion polls show? The majority of Slovak inhabitants are in favor of a joint state, the majority of Slovak inhabitants, however, will be voting for parties which, one way or another, have the destruction of the joint state in their program descriptions. Something like this would have confounded even the famous Talleyrand and the Czech National Council truly does not have a surplus of such individuals.

If this state in its present likeness is to perish, let it happen with dignity. The Czech National Council should state out loud and clearly that there is nothing more to negotiate and if the Slovak fellow citizens desire their own state, it is high time for them to say so, also aloud and clearly. We will likely perceive this as a tragedy, our children will perceive it as a fiasco, and for our grandchildren it will be a line in their history books. Nothing more.

### Statistical Data on Private Sector in CR

AU0503153692 Prague HOSPODARSKE NOVINY  
in Czech 4 Mar 92 p 8

[Report by "LV": The Development of Private Sector in the Czech Republic]

[Text] So far, the impact of the economic transformation on changes in the enterprise ownership structure in the Czech Republic [CR] can be seen, above all, in small-scale artisan manufacture, repair services, and business. At the end of 1991, the enterprise register listed more than 30,000 private legal persons. In the second half of 1991, the growing number of private stockholding companies gained in significance.

The entrepreneurial activity of the population was evident in the increased use of the opportunity to obtain a "business license" according to Law 105/1990. At the end of 1991, the Czech Statistical Office registered 1,058,500 businessmen. Most of those registered were from the capital Prague, and the South Moravian and North Moravian regions. This translates to approximately four times the business activity recorded in the Slovak Republic. The range of business activities is very wide. Nonetheless, most of it centers in small-scale artisan manufacture and repair services, which account

for more than 20 percent of all registered private businessmen. Entrepreneurs in business and marketing represent another 20 percent. Other main areas are construction with 17 percent, and business and technical services with 10 percent.

Complete statistical data on the private sector can be obtained only for entities with "enterprise" status. The tax returns for the year, and spot checks and estimates based mostly on the number of businesses during the year, serve as the sources of information on the economic results of the other business operations.

The share of the private sector in the GDP on the territory of the Czech Republic increased, according to a preliminary estimate, from 3 percent in 1990 to 7 percent in 1991.

In 1991, the main factor in the development of the entrepreneurial base was the small-scale privatization process, which was aimed, above all, at disrupting the state and cooperative monopoly in domestic trade and services. By the end of the year, 12,492 business units—which is less than one-third of the total network—were auctioned off within the framework of small-scale privatization. The situation in the grocery and produce stores was better than in the other stores.

#### Private-Sector Share in the Overall Results for 1991

	Czech Republic	Slovak Republic
Industry—manufacturing	2.7	2.3
Construction—production	12.5	7.4
Transport—public road transport	5.0	9.1
Agriculture—milk sales	2.0	—
Egg sales	40.8	—
Fruit harvest	63.4	—
Vegetable harvest	43.1	—
Potato harvest	15.1	—
Cereal harvest	2.6	—
Domestic trade—retailing	23.2	22.5

#### 1991 Average Wage Development Outlined

AU0503145592 Prague HOSPODARSKE NOVINY  
in Czech 3 Mar 92 p 15

[Report by Jaroslav Kux: "Wage Development in 1992"]

[Text] In cooperation with the Federal Statistical Office, we begin publishing data on the wage development in the Czechoslovak economy, including a detailed breakdown into individual sectors. The objective is to offer detailed information to the Czechoslovak public about the level and development of nominal and real wages, which are a decisive factor in determining the standard of living of the Czechoslovak workers. The data are derived from the

regularly published data by the Federal Statistical Office, the Czech Statistical Office, and the Slovak Statistical Office.

In harmony with the tentative wage growth—as announced by the government on the basis of the General Agreement of Social Partners—and as a consequence of a growing cost of living, the growth of average wages accelerated in 1991. In the first quarter average wages grew 6.1 percent, in the second quarter 15.2 percent, in the third 15.7, and in the fourth quarter 27.0 percent (each period is compared to the same period of the preceding year).

Over the entire year, average nominal wages of workers rose 16.4 percent against 1990. In view of the increased cost of living—compared to 1990—real wages declined 24 percent. The growth of nominal wages in both republics was about the same. In view of a faster growth in the cost of living in the Slovak Republic, the decline in real wages was about 1.5 points more than in the Czech Republic. Compared to the end of 1990, real wages declined 19 percent in the CSFR. (In the 1991 General Agreement, according to the tentative growth of wages, a decline in real wages of 10 to 12 percent was anticipated.) The situation deteriorated significantly in the first six months and improved in the second half-year.

Average monthly wage was 3,775 korunas [Kcs] in 1991 (Kcs4,552 in the fourth quarter). The level of wages and their dynamism differed greatly in individual sectors and organizations. The level of average monthly wages was Kcs64 (1.7 percent) lower in the Slovak Republic than in the Czech Republic, which was mostly due to different industrial structure in the Slovak Republic. Last year, the highest level of average wages was reached in the services sector—in the financial sector Kcs5,164 per month (a 58-percent increase against 1990), in foreign trade Kcs5,075 (a 35-percent increase) and in the insurance sector Kcs4,891 (a 37-percent increase). In the industrial sector, average wages were Kcs5,341 (a 17-percent increase) in the fuel industry and Kcs5,015 (a 28-percent increase) in the energy generating industry. In the school system, the average monthly wage was Kcs3,455 (a 20-percent growth), in health care Kcs3,766 (a 23-percent increase), and in the state administration, judiciary, and prosecutor's offices (including territorial organs) Kcs3,686 (a 20-percent growth). In the textile industry, the garment industry, communal services, and culture the average wage was approximately Kcs3,000 per month.

In 1991, wages stagnated, or increased only slightly—by 5 percent, in organizations employing about 16 percent of all the work force in the national economy, rose by 5 to 15 percent in organizations employing about one third of the total work force, 15 to 25 percent employing yet another third of the work force, and more than 25 percent in organizations employing about one fifth of the total work force in the national economy (in this group, in half cases wages grew more than 30 percent).

Slightly more than 3 percent of the total work force worked in organizations in which the average wage was Kcs2,500 or less, about one-third of the work force worked in organizations with an average wage between Kcs2,500 and Kcs3,500, and about one-half of the work force in organizations with average wage between Kcs3,500 and Kcs4,500, and some 14 percent in organizations with an average wage over Kcs4,500 (of this, about a half in organizations with average wage of Kcs5,000).

The data do not include small businesses with fewer than 100 employees. If we include the data for the previous quarter, then the overall results will be affected only slightly (in the period between the first and third quarters, the inclusion of the data yields a higher average wage by Kcs4 per month and a faster growth by 0.2 points).

### Statistical Survey of Contemporary Prague

92CH0352A Prague DOKUMENTACNI PREHLED  
in Czech 9 Jan 92 pp 3/h 5-8

[Text] Prague, the capital of the CSFR, extends over an area of 496.4 km<sup>2</sup>. The municipal state administrative authority is the Municipal Office of the Capital City Prague. The supreme self-governing authority is the Municipal Board of Representatives whose executive body is the Council of the Municipal Board of Representatives headed by the mayor. According to the Law on Communities, the capital city of Prague is one large community and simultaneously a statutory city. It is divided into 57 municipal districts, of which 13 are administered by the obvod office. The other municipal districts are administered by local offices. In June 1991, obvods Prague 11 (Jizni Mesto [Southern City]), Prague 12 (Modrany), and Prague 13 (Jihozapadni Mesto [South-western City]) were added to the former 10 obvods.

### Population

According to the provisional results of the population, house, and apartment (SLDB) census of March 1991, 1,212,010 people were then living in Prague; 570,647 were men, and 641,363 were women. The most densely populated municipal district is Prague 4 with 143,551 inhabitants, followed by Prague 10 with 138,203 inhabitants, Prague 6 with 126,612 inhabitants, and Prague 8 with 112,500 inhabitants. The smallest number of inhabitants live in the obvods Prague 1 and Prague 7 (under 50,000). The majority of other city districts that have broken away as independent communities are smaller and have fewer than 10,000 inhabitants.

Municipal Districts of Prague			
	Permanent residents		
	Total	Men	Women
01 Prague 1	42,567	19,420	23,147
02 Prague 2	61,623	28,233	33,390
03 Prague 3	81,862	37,301	44,561
04 Prague 4—municipal district	143,551	66,767	76,784

Municipal Districts of Prague (Continued)			
	Permanent residents		
	Total	Men	Women
05 Jizni Mesto	86,238	41,707	44,531
06 Kunratice	3,316	1,619	1,697
07 Libus	6,878	3,432	3,446
08 Modrany	59,441	29,040	30,401
09 Seberov	1,241	600	641
10 Ujezd	494	250	244
11 Prague 5—Municipal district	76,689	35,815	40,874
12 Jihozapadni Mesto	35,848	17,653	18,195
13 Lipence	1,303	646	657
14 Lochkov	566	266	300
15 Radotin	7,025	3,407	3,618
16 Reporyje	2,182	1,078	1,104
17 Slivenec	1,878	923	955
18 Velka Chuchle	1,602	793	809
19 Zbraslav	7,530	3,691	3,839
20 Zlicin	3,054	1,466	1,588
21 Prague 6—Municipal district	126,692	59,126	67,566
22 Lysolaje	768	352	416
23 Nebusice	1,854	887	967
24 Predni Kopanina	320	153	167
25 Repy	2,497	1,189	1,308
26 Suchdol	5,101	2,426	2,675
27 Prague 7	46,882	21,401	25,481
28 Prague 8—Municipal district	112,500	53,017	59,483
29 Brezineves	558	275	283
30 Dablice	2,118	1,009	1,109
31 Dolni Chabry	2,262	1,103	1,159
32 Prague 9—Municipal district	62,651	29,812	32,839
33 Bechovice	1,588	773	815
34 Cakovice	5,550	2,638	2,912
35 Dolni Pocernice	1,779	867	912
36 Horni Pocernice	12,119	5,945	6,174
37 Kbely	4,642	2,233	2,409
38 Klanovice	2,341	1,132	1,209
39 Kolodeje	628	311	317
40 Kyje	6,447	3,173	3,274
41 Letnany	14,429	7,185	7,244
42 Satalice	1,390	668	722
43 Ujezd nad Lesy	6,144	3,031	3,113
44 Vinor	1,848	887	961
45 Prague 10—Municipal district	138,203	64,284	73,919
46 Bernice	256	127	129
47 Dolni Mecholupy	1,011	504	507

**Municipal Districts of Prague (Continued)**

	Permanent residents		
	Total	Men	Women
48 Dubec	1,841	898	943
49 Horni Mecholupy	10,124	4,952	5,172
50 Kolovraty	1,443	716	727
51 Kralovice	286	138	148
52 Kreslice	236	117	119
53 Nedvezi	218	102	116
54 Petrovice	5,292	2,627	2,665
55 Sterboholý	796	386	410
56 Uhrineves	4,308	2,096	2,212

The new municipal district, Troja, originally a part of Prague 7, was created in October 1991 and officially came into existence on 1 January 1992.

**Inhabitants by Age and Gender**

	Men	Women
0-14 years		
232,114	119,218	112,896
Working age		
690,022	349,330	340,692
Postworking age		
284,992	102,099	187,775
Undetermined		
4,882		

Of the total 1,212,010 inhabitants, 623,755 were economically active on 3 March 1991; 51.1 percent of these

were men and 48.9 percent were women.

**Population Structure According to Nationality**

Czech	1,156,982
Slovak	23,981
Moravian	8,737
Silesian	333
Romany	2,886
Hungarian	1,594
Polish	1,279
German	1,273
Russian	1,201
Ruthenian	280
Ukrainian	859
Greek, Bulgarian, Romanian	1,096
Other	3,318
Undetermined	8,191

**Religious Denomination**

Almost 50 percent (49.5) of the inhabitants do not belong to any religious denomination, 28 percent are Roman Catholic, 2.7 percent belong to the Czechoslovak Hussite Church, and 2.3 percent to the protestant Czech Brethren. The percentage belonging to other churches or religious groups is negligible. A total of 16.3 percent of the inhabitants did not give any answer to this question.

Note: This was compiled using material from the Municipal Administration of the Czech Office of Statistics in the capital city of Prague.

9 January 1992

### Foreign Policy 'Dilemmas' Viewed

AU0503092692 Budapest MAGYAR HIRLAP  
in Hungarian 27 Feb 92 p 9

[Unattributed report: "The 1992 Forecasts of the Security Policy and Defense Research Center—Dilemmas of Role Interpretation and Orientation in Hungarian Foreign Policy"]

[Excerpts] The only thing that is certain in world politics today is uncertainty. Most of the stormy changes take politics by surprise, societies are unprepared for them, and the nations and their leaders are shocked by them. It is hard to understand world politics and even more difficult to make predictions. Nevertheless, in its topical discussions, the Security Policy and Defense Research Center [BHKK] made an attempt to do this. [passage omitted]

The tasks and the international scope of activity of Hungarian foreign policy are determined by the current world political situation and the processes expected in 1992. In the study, the experts agreed that the government's foreign policy is also a subject of domestic political battles. The parliamentary opposition criticizes the government for making a "taboo" of this subject, citing the existing consensus in the strategic directions of Hungarian foreign policy as a reason. It does not give information on the reasons for foreign affairs decisions, and it does not even ask the parliament's preliminary opinion on the decisions themselves.

Although it is a fact that Hungary's geographical position cannot be changed, its geopolitical position is nevertheless changing in a strategic sense: It is moving from the western edge of the East to the eastern edge of the West. While the government coalition claims that the opposition's practices are the reason for our peripheral position, the opposition claims that it is the government's policy that is moving us further away from Europe instead of taking us nearer. In addition, the government feels that it is being attacked from many sides, because it is not only being criticized by the opposition—and part of the press—but certain neighboring countries also conduct hostile politics toward Hungary and the Western world is not showing the degree of helpfulness that might be expected on the basis of merits.

Hungarian foreign policy is facing a number of dilemmas and the experts of the BHKK see these as follows:

1. Role Interpretation. It seems that certain influential circles would welcome Hungary's role to be that of a regional medium-sized power whether it attains this role or accepts it as the emerging result of circumstances. On the other hand, the other side wants to tie Hungary's fate to European integration and does not want to have constant confrontations with its neighbors under the pretext of protecting national minorities or other problems, and it supports regional cooperation instead.

2. Orientation. There is no clear-cut unity in the unifying Europe but a battle is under way for positions and hegemony. The situation at the time the EC was established has fundamentally changed. The four main constituting elements—Great Britain, France, Germany, and Italy—represented more or less equal power at the time. Today, however, Germany has become excessively strong and it would obviously like to fulfill the role that it deserves on the basis of its size, wealth, local knowledge of Eastern-Central Europe, and its traditions. Hungary's greatest strategic problem is not the question whether to have a German orientation; in the given situation, this has its obvious advantages and probably has no alternatives. The question is whether to take into consideration the efforts made by the United States through NATO and by certain European countries through the EC to counterbalance the Germans. Is it desirable and expedient to have monogamy in foreign relations?

3. Security Policy. "The lack of trust shown by the neighboring countries toward Hungary is the greatest problem of Hungarian security policy." Paradoxically, in the past decades, we had to be afraid of the country—the Soviet Union—that forced us into the Warsaw Pact, rather than the countries against whom we were forced into it. The Soviet Union does not exist anymore, and there is no danger of a war from its successor states or from our neighbors.

However, plenty dilemmas exist. For example, whether we should give preference to any of the post-Soviet successor states, and if so, would that country be Russia or Ukraine. After all, Ukraine is our direct neighbor and the only one of our neighbors with whom our relations are developing in a very promising way in every area, including the national minority issue. However, in case of increasing Russian-Ukrainian conflicts, Moscow may disapprove and might "punish" good Hungarian-Ukrainian relations.

Economic dilemmas also exist in connection with the post-Soviet region. It is a huge market and it would not be good to lose it. At the same time, the economies of all the successor states have collapsed, they are all unable to pay, therefore, they represent an enormous financial risk, and relying on their raw-material deliveries is irresponsible, to say the least.

Another dilemma is whether we can pretend that we ignore the bilateral antagonisms of our region (Polish-Ukrainian, Czech-Slovak, Polish-Lithuanian, Lithuanian-Russian, and Ukrainian-Romanian), how long and how we can keep away from these, and what we should do if, unintentionally, we get mixed up in one of them as happened in the case of the Yugoslav crisis?

The dilemmas regarding our neighbors are mostly—but not exclusively—connected with the national minority issue. For historical, social psychological, and economic development reasons, an anti-Hungarian tendency has penetrated the Romanian, Serbian, and Slovak way of



thinking, and this tendency is also reflected in official policy. Although Hungary has the duty to defend the Hungarian national minorities, the question is whether it is permissible—and, if so, to what extent—to apply “linkage,” that is, to make the development of bilateral contacts dependent on the situation of the Hungarian national minority and to appear as accusers in international forums by focusing on the violation of national minority rights. According to one expert on this subject, a Romanian-Serbian-Slovak complicity is emerging on an explicitly anti-Hungarian platform. Hungary should strive to promote normal relations even with states that disregard human and national minority rights. We must understand that the Atlantic-Western world is alarmed by the mainly ethnic confrontations in this region; stability is essential for the Western world and, for this, they are ready to “close one eye” and even accept a less democratic leadership.

The task is to find the suitable tone and the most effective tactics for foiling the Romanian-Serbian-Slovak complicity aimed at isolating our country, defending the Hungarian national minority, and maintaining good-neighborly relations with our neighbors, in harmony with Western expectations.

The refugee issue also complicates Hungary's situation. The question whether this country should join the camp that believes that the revision of the peace settlements of previous decades is attainable in the middle of the tremendous reorganization of Central and Eastern Europe today is a matter for strategic political decision. Territorial and border issues are emerging, complete with all their risks and international legal, diplomatic, and national security consequences. No matter what Hungarian policy does or fails to do, the task is given.

#### **Antall's Address to MDF National Convention**

92CH0320A Budapest MAGYAR FORUM  
in Hungarian 9 Jan 92 pp 9-11

[Prime Minister Jozsef Antall's speech given in Budapest on 15 December 1991: “The Hungarian Democratic Forum's Fifth National Convention; With Responsibility for the Fatherland; Jozsef Antall's Closing Address”—first three paragraphs are MAGYAR FORUM introduction]

[Text] “The day of reckoning has arrived once again, namely the Fifth National Convention of the MDF [Hungarian Democratic Forum]. Its task is to perform the reckoning, and at the same time to point ahead, into the coming year.” That is how Jozsef Antall, the prime minister and president of the MDF, began his opening address in the assembly hall of Budapest Technical University. He then went on to say, among other things, the following: “During the proceedings today and tomorrow, from the president's opening address to the closing address, these two days will demonstrate that the

Hungarian Democratic Forum is Hungarian, democratic, and a forum as well. Which means that during these two days there will be real debate in the sections.

“The political parties in Hungary ought to take into consideration under what circumstances we are performing our work, under what conditions we lived to see this process of transformation, how it took place from 1989 through 1991, and within it what these 18 months have meant during which we have been in power. That stage, or framework if you like, those international conditions cannot be disregarded.”

Jozsef Antall then reviewed the international developments, analyzed the government's foreign policy, and concluded his speech with the following words: “At a convention I once said something for the first time that caused considerable misunderstanding and gave various papers an opportunity to make accusations. I said that, from the viewpoint of constitutional law, I wish to head a government for 10 million Hungarians, but in spirit I want to be the prime minister of 15 million Hungarians. I have said this now not to win applause, but to be able to greet Sandor Csoori who has become the president of 15 million Hungarians. With his election as president of the World Federation of Hungarians, Sandor Csoori has undertaken a task for which, in my opinion, we could hardly have found anyone better qualified or who could prove a greater asset in that job.”

#### **Antall's Closing Address**

Esteemed National Convention, Ladies and Gentlemen! First of all, I would like to congratulate the newly elected member of the presidium, our friend Zoltan Bogardi. I am glad that he again has a seat on the presidium, and that through him, agriculture, rural Hungary, has gained new emphasis within the MDF presidium. It is a good thing that a leading personality of the National Assembly's Agricultural Committee, of its subcommittee, is now on the presidium. I believe that, professionally as well as politically, he will prove useful to the National Assembly, to the MDF and to us all. I merely wish to note that it would not necessarily be Bogardi whom we would send if it came to negotiating with Jozsef Torgyan. By that I did not intend to question Bogardi's diplomatic skills; I merely would want to save him for the future. By way of introduction I would also like to note that what the convention has just passed by a two-thirds vote is very usefull, because it will enable the presidium to act in its present lineup, also independently of the election rules, should anyone resign during the year or be prevented from acting for some other reason. By its two-thirds vote, the national convention as the highest body of the MDF has now made that possible.

#### **Only the National Interest Matters**

Regarding the two-day meeting and our activity here: First of all, this two-day national convention of the Hungarian Democratic Forum has demonstrated that the MDF is able to think like a ruling party, behave like a ruling party, and to deal like a ruling party with the

issues confronting it as serious problems. Unfortunately, one cannot be everywhere at the same time. But in every section I was able to drop in on, even if just for a short time, I have tried to hear two or three contributions to the debate, preferably by speakers whom I otherwise would not have an opportunity to hear in parliament or in cabinet. In order to get a sampling, so to speak, of the nation's mood, of what you are conveying to us. We, and I myself personally, have felt it is very important to give as many MDF members as possible an opportunity to speak; members who have been elected as delegates by the local organizations and who are able to bring to us directly the concerns and problems of town and country, of the various settlements, as they see them; and who can tell us what our tasks are from their point of view. What they have been telling us has had to be confronted mutually. I believe that, with few exceptions, these section meetings and—I may safely say—in general also the plenary session's speeches and contributions to the debate have demonstrated the importance a ruling party attributes to responsible and competent analyses. In some of the sections it almost felt like sitting in the section of a scientific congress; the delegates were analyzing various questions—these ranged from economic, through social, to health-care problems, and I could go on and on—so professionally that they would have done credit to any analytical scientific congress. I would like to thank this national convention first of all for this. For its professionalism, objectivity and dedication. It is of enormous significance that our membership possesses this spirit and wants to consider these questions in this manner. That is the first thing for which I want to thank you.

Another thing I wish to thank you for is that you are enduring all the attacks, abuse and expressions of disappointment that we receive very often from our voters, and often even from persons who did not vote for us but nevertheless express their unfavorable opinion. You are the heroes, the soldiers of this army that we call the Hungarian Democratic Forum, which has undertaken to extricate—even at the cost of sacrificing its own life if necessary—the country from its present mess. When we formulated and passed this in Lakitelek, we were not contemplating suicide in some way. Admittedly, with tongue in cheek to some extent, I did indeed call our government a kamikaze government that could not possibly be popular initially. It could not implement popular measures and could not immediately make decisions that would please everybody or at least many. But when we formulated the idea of sacrificing even our own lives if necessary, we were merely expressing the moral principle that the country's, the nation's interest matters more than anything else, and that we would act accordingly, independently of and without regard for the considerations of party politics. That is what this government, this parliamentary caucus and the entire Hungarian Democratic Forum, with all its organizations, have pledged. We were confident that it would not be necessary to sacrifice ourselves. We are confident that we will save Hungary, but not at the cost of our own

destruction. Instead, we are confident that the strength, the political ideas and moral principles on the basis of which we are organized will not only turn this country around and extricate it from the serious situation in which we now find ourselves, but will be able to continue governing this country. I think that we and my generation—including those of my fellow ministers who are in my age group and with whom we were together already in 1956—could and did undertake this task specifically because it is our mission to carry out something that may be unpopular yet is necessary. To us our personal futures do not really matter. We have indeed staked our lives on this. But the next generation will have to continue building the future; those in their fifties, forties or thirties who either are already among us or will be joining us. And when serious situations arise, we do indeed consider who must survive that barrage and who may undertake the unpopular task, to do the unavoidable that must be done. The members in their thirties and forties are not the ones to carry out such tasks, at least so far as responsibility for them, the risk of failure and the most serious part of sacrificing ourselves are concerned. All that must still be borne by us. However, we must strive to gain younger members for the MDF, young men and women of every generation who are willing and able to continue carrying this banner in the coming years and into the next elections.

#### **Nobody Had a Better Solution**

I do not wish to present our political party as the only redeeming political force to which none of the other parties can be compared, although it is customary even under a multiparty system to stress the uniqueness of one's own party. After all, that is a part of free competition, of the free competition among political parties. Nevertheless, that is not what I am claiming. But we may say this much: while working continuously during the past two years on the basis of the MDF's program, first in opposition and then in power, I have not encountered any alternative, other political program, idea or proposed solution more promising than our own; especially not any that would truly have been workable and useful, but which we had overlooked. After all, if we use them as a basis of comparison, what other solutions were there for the Compensation Law or for personal compensation and other questions that absorbed and divided the country for a whole year? Either the other solutions did not offer anything, any compensation, leaving everything as it was, in the hands of anyone who happened to acquire it on the basis of his available wealth. Or there were other solutions that called for awarding everyone ridiculous amounts or for complete reprivatization, which would have been impossible to carry out. What did everything prove that happened to date? It proved that in the end a very large number of people have indeed applied for compensation, people desiring to become entrepreneurs and wanting to start something with what they are able to inherit; that no solution other

than compensation would have had a realistic foundation; and that nobody has been able to come up with anything else in these systems, for their solution after so many years.

It is easy to compensate after a few years, when everything still exists and rights can simply be restored; but that cannot be done decades later. We had no other choice. We knew all the shortcomings and drawbacks [of the Compensation Law], but a good solution, a really good solution, was no longer possible, because history had destroyed the really good solution and organic development. Where were such solutions for the other questions of privatization? Faster, much faster or spontaneous privatization was proposed. Or where were the solutions for managing our indebtedness? And I could go listing the fundamental fiscal, monetary and other economic questions for which not a single solution has been proposed that would have been better than what our program calls for. We would have been the most happy if we could have borrowed anything from these proposals. Naturally, we are law-abiding citizens when such criticism is being leveled at us; we have an elected National Assembly, and everyone in it may voice his own opinion. But as I sit there in the front bench listening to the political leaders and ministers of years past, I sometimes muse about how well they know everything now in opposition. They had at least four decades in which to demonstrate their knowledge, and we have seen the results. By that I do not wish to say we will not accept gladly their expert opinion at any time, and will not be pleased when they offer a good idea, introduce a good motion or proposal. We will accept them from any opposition party or any other political party. But how many times have they promised us miracle programs that would come out soon, have already been assigned to the printer or have just been completed? And either we got only a handbill in the end or the whole thing was quietly forgotten? But we presented for discussion not just a party program, but also a comprehensive government program and then yet another economic program, which we are carrying out continuously. Where is anything comparable to this, any tangible work by some other political force or political party? Not a single one has been produced. That we do not mind. But what we do mind is when they speak or act as if they alone possessed the philosopher's stone, or some kind of magic wand with which they can solve everything. Well, we have not found any example of this in economic policy, social policy, education and culture or in any other area. The opposition's right to criticize must be respected, just as it must be respected also within a political party. Or here, too, at this national convention. Instead of feeling offended, we will thank them for reminding us or for criticizing the government in any area, just as we will thank them for presenting a good proposal. But the question that goes beyond this is just how far do the responsibilities of the National Assembly and the government extend respectively, and how much of a role and scope may the interest-representing organizations and various other political groups have?

### Who Fears for Democracy?

In a new period, when the one-party system's political dictatorship ends, the players obviously have to be created anew. And so do the political parties, the organized public's voluntary and semivoluntary associations, the interest-representing organizations, the organizations of the employers and employees, respectively. The stage is filled with players only gradually, rather than by many players all at once. We can speak of really functioning democracy only when there are viable organizations operating in the political, economic, social and cultural spheres. And only when this spontaneous activity emerges can there be any talk of real democracy. As holders of state power, the government and the Republic of Hungary cannot do everything. We cannot be expected to solve every task and take every action at the governmental level. Civic virtues, extensive spheres of civil society must develop to make everything functional. But that is lacking not because the government wants a dictatorship, some sort of statism or other kind of centralization with which faint-voiced intellectuals are frightening the country from time to time. Those who are calling us to account for democracy, and who are fearing for democracy lest we take it away, often emerge from among people who have not necessarily gained the moral authority to speak out in this manner. This forenoon I have rejected very clearly tones, behavior, the compilation of lists, and other methods that I regard as incompatible with the rule-of-law state, with functioning political democracy and with human dignity. Nor do I tolerate gladly when the converted lambs of the former state party remind me of democracy, admonish me to preserve freedom, and fear for democracy lest we take it away. It is really preposterous that we have to listen patiently to all this in the given form. We are sending them the message that they have no reason to fear for, or to remind us of, anything. Nobody will pay closer attention than we to ensuring that parliamentary democracy and the rule-of-law state are based on a firm foundation in Hungary; that human rights, minority rights, and all other rights are observed that truly belong in the European legal system, belong in everything we have fought for and desired. But this does not mean we want to pardon those who committed injustices or serious crimes, the murderers; nor that we want to create a political and economic system under which the ultimate losers will remain losers, and those who have been the winners up to now will again be the winners. That is something we really are not striving for. Today the world truly regards Hungary as a rule-of-law state. Truly as a democracy where laws are observed and the market economy's laws apply in business life. Where there is creditworthiness and where it is worth investing.

If we include [in East Europe] also the entire territory of the Soviet Union, Hungary is still getting more than half of all foreign direct investment. Admittedly, we would like to be getting even more. But the fact remains that we are getting more than half, and that in itself is very promising. It is likewise a fact that Hungary's foreign exchange reserves fell below \$800 million in April 1990,

and today we can speak of \$3.0 billion. Hungary's foreign exchange reserves have quadrupled. It is perhaps worth pointing out the significance of this; and worth mentioning that these facts, the development of the Hungarian banking system, and everything related to it, are the basis of our economic stability, and that basically this monetary policy must be continued. It is easy to hold propaganda speeches about not repaying our debt; easy to say, let the West repay it. It is easy to say that we should not be made to pay for what we lost or for their mistakes. That sounds great, but just try to act like that in the economy, in the world market or in international financial circles, and see where it gets you. Don't forget that there is democracy also in those countries, and they too have voters. It is not possible there to simply write off certain amounts or to convert them into grants. This question is not so simple as when some people are suggesting that we refuse to repay our debt.

#### Without Additional Loans

Far more important is that for more than a decade there has not been a year in which Hungary's indebtedness declined, but under our government it has declined without our raising additional loans. The essential thing is that we have been working off our indebtedness. We have to work it off, because—regrettably—the loans that were raised have been spent in this country. Spent through theft, spent through bad investments, spent by living the loans up ourselves. No matter how painful this is for us all, you must take cognizance of the fact that, without living up indirectly the raised loans, Hungary could not have become the “most cheerful barracks of the bloc” in the postamnesty period of the Kadar era. Plants and industries that otherwise would have become or were unprofitable could not have paid higher wages than the ones which perhaps were more profitable. Unprofitable enterprises could pay bonuses. This is how the system operated that went bankrupt on a world scale. For this very reason, mind you, there is no meaner and more deceitful distortion than when somebody readily admits that, yes, there was dictatorship in the Kadar era, a velvet dictatorship, but adds that we nevertheless were able to afford this and that, and one was then able to live better after all. We are simply now paying the piper and bearing the consequences of the fact that the country was living in such a structure. Hungary must realize this and extricate itself from it. We can extricate ourselves, but only if we clearly understand the situation and act accordingly.

Unemployment is a serious problem for this country. There is unemployment everywhere in the world. To restructure this economy so that it will not collapse, we have to create a functional economic system. Unfortunately, the price of that is unemployment. A functional economy can tolerate neither the illusion of full employment nor actual full employment. The market economy is incapable of doing so. And the nonmarket economy, notably the entire Soviet bloc, collapsed and was unable to recover. When we think of the conditions under which

we are able to sit here in Hungary—we still have electricity, and the country is still running in spite of all its troubles—let us bear in mind that although our export to the Soviet Union had been declining already the year before, last year alone it declined by 60 percent, while our export to the entire communist area declined by 70 percent during the same period. We cannot continue exporting endlessly when we are already owed 2 billion dollars. (They owe us that much.) Under these circumstances, we obviously cannot do anything more. Perhaps it will suffice to point out the abnormal situation that neighboring Czechoslovakia and Poland, with which we are maintaining good relations, each account for merely two percent of our foreign trade. Now that the entire communist bloc has suffered economic collapse and has ceased to be a market, it is a natural consequence that entire industries in Hungary, certain branches of farming, certain regions and cities find themselves in a serious crisis.

#### We Must Strive To Supplement Our Resources

It is very easy to talk about why we are not spending more on this or that. Revenue determines the possible amount of expenditure. We cannot plan or run a larger deficit than what the international monetary system's competent agencies specify and are willing to accept. The World Bank or any other bank will not consider anything that the International Monetary Fund does not accept. We have to conduct tough negotiations on how far we can go in planning a budgetary deficit. Do you really think we would not gladly spend more on education? But take a look at the section here in which this was brought up. The same scene is replayed also in cabinet and in the National Assembly. Everybody would like to provide more for culture, because the country needs it. Are we such blockheads that we do not know how valuable educated people are? That this is the price we have to pay for the country's progress, and the more we spend on education and culture the better? And health care? Everyone knows that only healthy people are able to work and to do their work effectively; also, how high a country's health-care costs become when suitable preventive measures and proper therapies are not employed within the health-care system itself. We, too, obviously know all this. And who does not know that we need a better and bigger army when a war is being fought along our southern border and the entire region has become destabilized? This army was organized so that its forces were concentrated along the western border. After all, the direction of attack was to have been from Italy, through Austria.

This army had offensive weapons, but not the most modern kind, because the firepower of Hungary's army after 1956 was never allowed to match the firepower of the Soviet troops stationed in Hungary. That was a fundamental principle. This was, then, the army we inherited, one that had not been organized for defense and whose organization had not been based on a defensive military doctrine. We need air defense, helicopter troops, an air force, and other weapons that, together



with an extensive international security system, would ensure the country's security. But I ask you: Out of what? And let me go farther. It is often being said that public order has broken down. Statistically, of course, that is not yet true. Naturally, the breakdown of public order is far more serious for an open country than for a closed one whose press also is closed.

Older people remember what the press was like. On this occasion I will make an exception and praise the press for reporting news. In the past, SZABAD NEP had not reported crimes for decades. Today the press is frightening people and has created an atmosphere of fear. There always have been crimes. But in a country with closed borders and under a dictatorship, of course, crimes were fewer also in number, although not by as much as you would think. Most of all, people did not know about them. At the time, there was this joke about SZABAD NEP: Why would Napoleon have needed SZABAD NEP at Waterloo? Because then people in Paris would not have known to this day that he lost the battle. Today the newspapers not only report such things but also lend special emphasis to their reports. Having said that, we do indeed need a well-equipped police force, and the public is increasingly aware of that need. Public order will be suitably maintained only if the police force becomes as strong as possible and is equipped with modern technology. We had to, and still have to, overcome the belief that is only natural after every political dictatorship: namely, that the policeman is regarded not as the guardian of public order, but as the representative of political power. That was the time when a man on an empty lot was singing "I am Miklos Horthy's soldier." A policeman went up to him and said: "Man, are you insane? Here you are, in a pool of blood, with a knife in your back, yet you are singing that song." To which the man replied: "Well, had I been singing another song, would you have come here?" For that very reason, everyone in this country should realize that the government and our parliamentary caucus clearly understand what would be necessary and what should be done. Take environmental protection. Do the green parties and their leaders, who had founded the parties in full awareness of environmental protection's importance, think that we do not want environmental protection? But environmental protection is not simply just the concern of a single ministry; it is a way of thinking. Environmental protection must be reflected not just in a ministry of its own; everyone—from transport to agriculture, and from industry to the Interior Ministry—has tasks in environmental protection. The same approach must be used everywhere. And that requires money, a lot of it. What else can we do but attempt to manage the best we can the funds that are available?

Istvan Csurka has pointed out very clearly what the paucity of resources means, in economic as well as moral and political terms. The paucity of resources is the problem that embitters our whole life and hampers our progress. We must strive to supplement our resources. We must strive to do so when we are attracting capital

into the country. We want to attract resources when we have to accumulate capital here at home. We attract resources when we want to harness human energy; not self-exploitation, but truly man's creative abilities. Only so, and only this way, can we forge ahead. Taking all this into consideration, I believe that Hungary really will have opportunity to advance in the coming period. But we cannot promise pleasant dreams. We cannot promise that the coming months will be easy. We cannot promise that there will not be even higher unemployment. We cannot promise that shrinking output will turn around already now. A proportion of our foreign markets has dwindled, as I said earlier. In conjunction with this, domestic purchasing power also has declined. These are interrelated factors, as a result of which the country is not yet able to advance evenly. We must still endure our illness and suffer all the pains of therapy that ranges from medication to surgery. The patient will be able to recover and rise from his sickbed only if we provide all this therapy; and he will be feverish, which is a concomitant of all such cases. Here we need doctors. This sick country can be treated only by good doctors in a political sense; preferably by good surgeons and internists, rather than by pathologists. We must also bear in mind that a country is able to recover from such an illness only in the same way as a patient: if it wants to get well and is willing to do everything to that end. That moral strength is what I ask of you and the country, as well as of the MDF which, I am convinced, not only has volunteered for that role but is also destined for it.

#### Our Constitutional Traditions

It is not easy to present a comprehensive analysis of a country during the period of its transition. The question of who had agreed with whom on what was often brought up in recent weeks and months, during the ongoing debates on compensation, rendering justice or other issues. I would like to state once again that, on behalf of the MDF, nobody had agreed to anything of the kind some people have been suggesting lately in the National Assembly. Furthermore, I must also declare that no responsible politician may wantonly say that the mere idea of rendering justice, and the passage of the law on it that is now before the Constitutional Court, was enough to generate tens of thousands of denunciations; and then to continue to sit there quietly even after the police and the prosecutor's office declared that no such denunciations had been received. And as everyone had been able to hear in recent decades, it was also said that the Gestapo in its time had received the most denunciations in Hungary, because "we are that kind of people." That, too, had been said in the past period. Well, the Gestapo had received fewer denunciations in Hungary than it had in France. That some members of the Gestapo made such statements is perhaps understandable. After all, they were defending themselves and the honor of their uniforms. But to give ourselves such testimonials, and to speak of ourselves in such tones, is after all utter political wantonness! That too, I suspect, is a part of the treatment, of the psychotherapy, that has been attempted on



the Hungarian people for a long time. In other words, it is a part of the attempts to inculcate us with a sense of guilt and defeatism. This country has no reason to be defeatist! In the 1960's I read a book by Franz Joseph Strauss, at the time when everybody was talking about him as if he were some sort of monster. I found his book on democracy especially moving, because in several places he reverts to the Hungarian people of two centuries ago. He describes what the Hungarians had done for the defense of Europe, for the defense of the West and of Christian Europe. Let us be proud of that! On other occasions I told the people most directly concerned, even in Yugoslavia, that we condemn the atrocities committed in Ujvidek [Novi Sad], but they had been no excuse for the subsequent murder of 40,000 or 50,000 innocent Hungarians. Furthermore, the persons responsible for the Ujvidek bloodbath had been court-martialed already during the war, before the German occupation. I do not know of anyone having had to face a court-martial after World War II, in either Yugoslavia or Romania, for atrocities committed against Hungarians. I have not heard of that happening in Czechoslovakia, either. For that very reason, we admit where we did wrong, we admitted where we had made mistakes, but we object to calling Hungary [Hitler's] last satellite (just take a look at the map as to why that happened), and to similar accusations. Nor do we accept that Hungary lacks democratic traditions. We who believe in a multiparty system, want democracy and parliamentary government, and have established them here. Why should we have to defend ourselves and explain that we do indeed have democratic traditions? Mind you, this is the country that had its Golden Bull in the Middle Ages, just a few years after the Magna Carta which the whole world recognizes as the basis of constitutionality. This is the country that always had constitutional government suitable for the given age. The country where the system of local government was so firmly established that it was able to oppose even foreign domination, and where the counties were the forums of opposition to foreign domination. Then how can it be said that democratic and constitutional traditions are lacking here? We most certainly have such traditions! Hungary has constitutional traditions, strong constitutional and democratic traditions that will stand comparison with those of any country. Just glance back to the significance of the period of [liberal] reforms [1825-48]. Was there a political movement similar to it in the eastern half of Europe? Was there a revolution or war of independence comparable to our War of Independence in 1848-49? I do not wish to grade, but elsewhere there were only operetta revolutions by comparison. But allow me to continue: After 1867, in the Hungarian state created at the cost of a compromise, there was constitutional order and a parliamentary system of civil government such that the representatives of the Jews fled here from pogroms in Galicia and elsewhere. Other peoples likewise sought refuge here, because they found more freedom and democracy in this country. Are we forgetting this? Show me another country where there had been a freer press than in Hungary. It is true that thereafter we were on the

losing side in two world wars, but Hungary did not participate in those wars from any particular desire to do so. Even in those years Hungary demonstrated its humaneness and did what it could. For that very reason, this country should not have an inferiority complex about the past, nor about 1945 when the only free elections in the region took place in Hungary, nor about 1956, nor the turnaround in 1989-90. And whoever wants to hammer an inferiority complex into us is simply a falsifier of history, or of politics if you prefer.

### Who Wants a Strike?

When speaking of interest-representing organizations, when I mention not just the parliamentary and local-government part of democracy but also its interest-representing part, I have to say that a political party in itself is not an interest-representing organization. The task of this political party is to find a suitably operating mechanism for the entire country, for society as a whole. Employers and employees can both be members of the MDF. Employers have their own organizations at another interest-representing level, below the modern European political parties.

The peasant alliances that function under various names, or the various trade unions of employees all fit in well with one another, because the task of the political party is integration, the creation of synthesis at the political level, and not the direct representation of a pressure group or class. Therefore the MDF is not a class party according to Marxian terminology, but a people's party in the Western sense, a party in which the nation's every stratum is able to find its place. But we must add that everything formulated in each section is very important. The standpoint adopted on representing interests is likewise of exceptional importance to clearly express the aspects in the representation of interests, the employers' and employees' aspects. All the statutory conditions for this must be put in place, the provisions of the law enacted by the National Assembly must be implemented, and care must be exercised to ensure that the trade-union elections held in Hungary are truly free elections. And if any interest-representing organization or trade union calls a strike now—when Hungary is in this international situation, and when it is quite clear in what state the country's economy is and what can be achieved—it is not expressing an aspect of the representation of interests, but wants to use the strike as a political tool. What do they want to warn us about? We have clearly announced and know where the limits are: the budgetary limits, and the country's monetary and economic limits. They are just as familiar to those who are proposing these things and want to persuade society's dissatisfied groups to go on strike. What would that lead to? What can be achieved? We do not have to be warned, because the government—at the ministerial and state-secretary level—is holding continuous talks in the Council for the Reconciliation of Interests. There can be talks when there is a real conflict of interest arising between employers and employees in the spheres of management and labor, regardless of whether or not the enterprise in

question is state-owned; or when questions arise that require legal or policy regulation. But if some people merely want to know how much support they have, to assess their own membership, then that becomes an expensive game for the country at large. What I find the most reprehensible, and what we cannot accept, is when the dissatisfaction created by the circumstances is now being voiced, and the representation of the interests of individual industries and the defense of their workers and trade-union representatives are being assumed, by organizations that had more than four decades in which to solve these same problems.

We admit that we dislike to see attempts by the trade-union bureaucracy, the trade-union elite, to use this for its own political ends, for flexing its muscles and demonstrating its strength, especially when one gains the impression that the employers' and the employees' representatives are not so far apart. It is a part of the nomenklatura, of a previous ruling class, whose members have gone every which way, but they all are pursuing the same political objectives. And when such meetings take place, the trade-union leaders even do a sort of mating dance with their one-time comrades. I would like to believe that Hungarian society, the society of Hungarian labor and blue-collar workers, does not believe those who brought the country to where it now is, and that it will not fall for the propaganda tricks about to be played on it. As wonderful representatives of labor, of the blue-collar workers, they are attempting to create uncertainty and anxiety in the country, which will not benefit anyone. The statutory procedure is in place, talks are possible, and the government has indeed kept its word and is negotiating accordingly. In the same manner, statements may constantly keep recurring to the effect that I had promised to introduce a bill on personal compensation in parliament this year. Some people who occupy top positions in this area may declare without hesitation that we have not kept our promise, but they do not take the trouble to check that we have sent the bill to the National Assembly; and that in the state budget, for instance, the government had planned 6.0 billion forints for the victims of political injustice. The bill is before parliament. If the National Assembly enacts the bill, it will of course go into effect retroactively to 1 January. But we are able to declare that we have not been telling falsehoods. That allegation was unworthy of an organization for historical justice, when the exact opposite was true.

#### **We Had No Other Choice**

Since you will soon be heading home, I would like to end my speech by saying that it is difficult to be a soldier of the Hungarian Democratic Forum, because we have come to power and must govern within the framework of a coalitional government. I ask you to bear that in mind. Perhaps some things have not succeeded, perhaps some things we have been unable to carry out the way we would have liked. Obviously, our coalition partners may have had similar expectations and demands. What we are doing is that the MDF is carrying out its program

commensurately with the support it received in the elections, coordinating with its indispensable coalition partners the program's realization in space and time, on the basis of a feasible schedule. We can and must govern with coalition partners, specifically with partners coping with a serious internal crisis; and we must be able to handle also that problem, in addition to our own. This is not an easy proposition. FIDESZ [Federation of Young Democrats] proposed a grand coalition, because they figured that also the SZDSZ [Alliance of Free Democrats] would then become tarnished in government, leaving FIDESZ clearly that much stronger. The SZDSZ too would have liked to knock out the Smallholders and therefore recommended FIDESZ to us, because then the SZDSZ would have remained clean. But also within our coalition partners there were significant forces which felt that if the MDF agreed to form a government, then the political forces and the public opinion which had supported our policy line would turn away from us, switching their support to our coalition partners. All this is a part of the political playing field, and we have had to reckon with it. Just read the newspapers published during the recent past and note how often they advised us, and me personally, to form a minority government, merely to reduce our parliamentary support. I was reluctant to do so, because we would have had to beg for votes from the other side on each and every bill. That is why they would have liked to retain the requirement of passage by a two-thirds vote, had we not concluded that much-maligned pact which has made governing at all possible. (That pact, incidentally, was signed not just by Peter Tolgyessy, but also by Janos Kis and Ivan Peto.) Just notice how difficult lining up even an absolute majority often becomes, because of absenteeism and for other reasons. What would have become of this country had the requirement of passage by a two-thirds vote been retained for all parliamentary business? There would never have been a budget, and the country would already have collapsed. But allow me to go farther: How could the opposition have agreed to pass something, which then we would have had to implement and assume responsibility for? At the time, two political parties were particularly incensed by that pact curtailing the requirement of a two-thirds vote. They were FIDESZ and the MSZP [Hungarian Socialist Party]. For the very simple reason that we could have lined up a two-thirds vote only by obtaining the support of either FIDESZ or the MSZP. What would have happened was that in each case these two small parties would have decided what the government could do. The tail would have wagged the dog. We wanted none of that. For that very reason, and despite all the tension and internal struggle, I venture to declare with full responsibility that we had no other choice; we had to take the road along which we have traveled. Within that [agreement], however, we have examined all the standpoints of the present convention and of the preceding one regarding the government's work, and we will use whatever is feasible in them. After all, we are merely one of you. We want the same thing, only the outcome is not always the same when the idea, conviction and will confront the possible. I have already

explained many times before why some people believe that a person becomes "stupid" immediately upon being appointed minister or state secretary. He simply comes smack up against the galling facts: the lack of money, the shortage of personnel, and many other things. Therefore I attach great importance to always recruiting fresh blood, to reinvigoration. Thus in the cabinet we now await as fresh blood our friend Ivan Szabo, who will head the Ministry of Industry. I am confident that he will handle successfully this portfolio, which is by no means an easy one. I would like to take also this opportunity to thank Peter Akos Bod, who has already attained political neutrality. He was the one who participated and indeed played a leading role in the elaboration of the MDF's economic program. At my request, he has accepted the position of president of the National Bank and has agreed to relinquish his seat in the National Assembly. Believe me, Western financial circles have not plunged into despair because of this change of personnel. Those quoted British, German and all kinds of other opinions you were able to read about in the Hungarian press originated mostly here and were merely regquoted. Not even our opponents venture to claim that there was anything illegal about this change of personnel, and that is not the point. But this move had to be made, and I wish to say so also here and now, because I am accountable to you as well. The decision I had to make was whom to submit for nomination to a six-year term as president of a completely independent central bank, and I had to consider very carefully who should head for six years Hungary's independent central bank, without the government's supervision and intervention. I needed personal guarantees that the central bank would continue to pursue policies in line with the government's economic and monetary policies. Those policies have been formulated and upheld not by one person, least of all by the president of the National Bank acting alone, but by the government whose subordinate official the president of the National Bank had been before the new law was enacted. After consulting parliament, the president of the Republic correctly accepted my submission and appointed Peter Akos Bod. As to personnel changes, yes, there will be more changes in personnel where necessary. But the decisive factor, albeit not one-sidedly, will be a person's career, how much it weighs on the scale; his life's work, what he has accomplished to date; and what kind of official of the Republic of Hungary, rather than of a political party, he would make. If he was a bad official and acted dishonestly, then he certainly has no place in the state apparatus. But if he is honest and hardworking, he should not be kept in suspense. These questions must be handled very precisely, in accordance with the law, and with political prudence.

#### **An About-Face for Communism**

We are not preparing to go headhunting. We are a civilized European nation and will carry all this out accordingly. But the cries of anguish in the mass media and in every segment of the press, together with the launching of movements whenever we make personnel

changes, must also be rejected. What have we done? In the given case we will relieve, or have relieved, people from their posts as state secretaries; but they are able to continue their careers as ambassadors if they so wish. We are making similar offers to every expert, commensurately with his importance. That applies to the [former] president of the National Bank as well. We have made him an offer that is commensurate with his position and rank; matches them exactly. Whether a person accepts or refuses an offer is his business. But how does anyone dare to compare these changes of personnel or dismissals with the time when people were simply put behind bars; or when they were dismissed, but a university assistant professor was not offered a job even as a gas-station attendant? Or there have been dismissals from other jobs, and some persons have dared to compare them with what happened in the past, as if this were a cruel wave of firing and sacking. That is really astonishing after all. In a country where everyone knows that people used to be barred from their professions for years and decades, because of their political attitudes, yet some persons dare to compare what is happening now to what happened then? On this question, therefore, we will not hesitate to carry out what our political program prescribes, and what common sense and especially the national interest dictate. With this, I feel, the coalitional government formed by the MDF as the majority party may safely assume the responsibilities of government, with accountability to the Hungarians here at home, as well as to the ones living beyond our borders, whatever their citizenship. In the same manner, every ethnic or other minority in this country can enjoy the legal protection of the Republic of Hungary.

As I have already reviewed in my opening address our foreign-policy results since the preceding national convention, it is now unnecessary to revert again to how we carried out the task of national independence, saw to the execution of an about-face command by bolshevism and the communist system, developed a solid system of relations with the Western world, and normalized our relations also with the peoples of Central and Eastern Europe who are sharing the same fate as ours. True, in the period just elapsed we have not been overhasty in regulating Hungarian-Soviet relations by international agreements enacted into law, but would that have been in the nation's interest? I believe that we will have carried out and regulated our relations with the Soviet Union when the Visegrad three [Czechoslovakia, Hungary and Poland] are able to sign in Brussels their association agreement with the European Community. In my opinion, there is hardly anything more we could have done besides establishing the country's sovereignty, and regulating its relations with its environment and with the European and other international organizations. The countries with which we have not yet been able to normalize our relations are Yugoslavia, where a war is raging, and Romania, with which we have been unable to agree on the bare minimum that is necessary to pave the way for an international agreement. There are tensions with Czechoslovakia or Slovakia, over the Bos

[Gabcikovo] power plant. The entire range of problems involving the Danube has yet to be solved. That is not something which can be done at a blow of a whistle. However, we have been able to make progress in all other areas, but that must not make us the least bit self-complacent. You must know that we ourselves will carry out the most critical analysis, and that we will be grateful to you for your assistance in undertaking it. But defeatism and indifference must not be allowed to prevail in this country. In that hope, I wish you all a truly merry Christmas and a happier New Year. In the hope that a year from now we will meet again also within this framework, at our next national convention, and that we will then be able to report to it on even more results. I thank you for your attention.

### **KDNP Official Views Tasks, Prospects**

*AU0403191792 Budapest UJ MAGYARORSZAG  
in Hungarian 27 Feb 92 p 4*

[Interview with Tibor Fuzessy, head of the parliamentary faction of the Christian Democratic People's Party, by "F.K."; place and date not given: "The Christian Democrats Are Strong Members of the Coalition—The Christian Democratic Party Does Not Want To Be an Insignificant Vassal"]

[Excerpts] The Christian Democratic People's Party [KDNP] is playing a key role in preserving the coalition stability. We asked Tibor Fuzessy to tell us about the roots of the party. [passage omitted]

[UJ MAGYARORSZAG] How many members does the KDNP have today?

[Fuzessy] We have close to 18,000 members. We had only 3,000 members during the elections; no other party can show such a spectacular development.

[UJ MAGYARORSZAG] What are the relations between the party leadership and its faction?

[Fuzessy] According to the KDNP statute, the congress determines our party's long-term program, the steering committee determines its mid-term program, and the presidium decides on short-term issues. It is the political responsibility of the faction members to act in accordance with the party's political line, but the faction can have an independent opinion on everyday political matters. The faction leader is automatically a member of the party presidium, and so are Party Chairman Laszlo Surjan and deputies Miklos Palos and Miklos Hasznos. [passage omitted]

[UJ MAGYARORSZAG] Are the various trends diverging within the faction?

[Fuzessy] The KDNP congress scheduled for April will decide on our party's future, and we will have to decide there about the direction we should follow. Everyone agrees that we have to strengthen and develop our party, and the debate is about the type of electorate we should

win over. We would like to be a real "big" party but, in my opinion, we have not yet reached the "mid-sized party" category. One can differentiate between two existing trends. One, to which I also belong, wants to develop the KDNP into a Western-style Christian Democratic people's party, a party whose character is less religious and is carrying out a pragmatic policy, a party that regards the development of a social market economy as its main task. Those who belong to the second trend primarily want to win over the electorate that demands a consistent change in the regime and settling of accounts.

[UJ MAGYARORSZAG] Do you think that the present coalition is strong?

[Fuzessy] From the beginning, I have been of the opinion that the controversy within the Smallholders' Party is this party's internal affair, and no person from outside has the right to interfere. One has to consider two facts. One: This party's current leadership is legitimate. Two: According to the position of the Constitutional Court, a party can only have one faction and, in the case of the Smallholders' Party, this is the 45-member faction led by Gyula Pasztor. We cannot say who the "real" smallholders are. [passage omitted]

[UJ MAGYARORSZAG] What are your party's relations with the Hungarian Democratic Forum [MDF] like?

[Fuzessy] The two parties are quite close to each other. At the same time, we feel that we represent the Christian Democratic line more markedly. I must also point out that all the parties are rivals during parliamentary elections. We are often accused of being "vassals" of the MDF. This is not true; we formulate our position on every issue, and the MDF accepted many of our modifying proposals. At the same time, we are aware of the realities, and one cannot disregard the fact that we only have 21 mandates.

[UJ MAGYARORSZAG] In your view, what weak points does your faction activity have?

[Fuzessy] We will have to diversify our activity in the future, because an often-declared opinion about us is that we are "gray." We want to continue to stick to the professional foundation of our opinion formation, and I am also satisfied with the number of observations we have made in parliament so far: Given the number of its deputies in parliament, the KDNP expressed its opinion on more numerous occasions than the average during parliamentary debates.

### **Parliament To Discuss Plans To Modernize Planes**

*AU0403184792 Budapest NEPSZABADSAG  
in Hungarian 26 Feb 92 p 4*

[Article by Zs.A.: "Defense Ministry Proposal: A Safer Fighter Identification!"]

[Text] According to our information, at its meeting on 26 February, the Hungarian parliament's Defense Committee will examine the possible ways to use the 1.1 billion forints earmarked for the modernization of the Hungarian Air Force. The Defense Ministry sent its relevant proposals to the deputies in question and asked them to discuss the matter urgently.

The heads of the Defense Ministry started from the premise that it is expedient to start replacing the tactical combat aircraft from 1995 or 1996 and carry this out by 1997. In addition to the fact that the current stock of combat aircraft is increasingly useless for defense purposes because of its obsolescence, the reason for this action is that all the countries in our region have already started modernizing their air force, by purchasing MiG-29s for the time being, to replace them later with one of the Western types. According to the Defense Ministry, the best way to use the 1.1 billion forints earmarked for modernization would be to modernize our own tactical combat aircrafts' "friendly-enemy" identification system. The VSZ (Soviet) identification systems currently in use do not make it possible to properly distinguish between our own aircraft and those of the neighboring countries. This can explain the two cases that occurred at the end of 1991 when Yugoslav aircraft signalled back at a code used by Hungarian aircraft. The other big disadvantage of the Soviet system is that it does not have an operational mode for the joint control of military and civilian aircraft. (The Soviet system also differs from the various systems used in Western Europe, systems that are all operating according to a uniform standard.)

Military experts think that the development of a new aircraft identification system properly fit into a comprehensive development program would increase the safety of the combat aircraft and would improve the air control over civilian and military aircraft. If a decision is made on the use of the 1.1 billion forints, namely about the methods of modernization, the ministry will issue a tender and will give priority to firms that also count on the participation of Hungarian enterprises in this project.

#### Labor Affairs Official Views Unemployment

AU0503110392 Budapest MAGYAR NEMZET  
(Economic supplement) in Hungarian 2 Mar 92 p 1

[Interview with Ferenc Munkacsy, deputy state secretary at the Labor Affairs Ministry, by Judit Durst; place and date not given: "Munkacsy on Employment Policy and Dealing With Unemployment—Technical People Are the Losers"]

[Excerpts] Since the end of 1989, a tendency can increasingly be seen; namely, the Hungarian labor market has been divided into two. The fight is against a dynamically growing unemployment on one side and against an insatiable need for manpower on the other. In addition, this is in a society where, according to the public opinion

polls, the ideal of equality still occupies a prominent place in people's value system. [passage omitted]

[Durst] According to the latest survey of [opinion poll institute] Szonda Ipsos, according to most people, unemployment is the biggest problem in Hungary today, although one year ago, they saw inflation as the biggest enemy. Is it possible that the government will react to the report of the researchers of public opinion on the prevailing mood, and 1992 will be the year of the fight against unemployment?

[Munkacsy] The year 1991 was clearly a year of trying to suppress inflation. The results can already be seen because we managed to keep control over price increases, which is a considerable achievement. However, in 1992 I believe that we should concentrate on stopping the increase of unemployment.

[Durst] At the moment, some 440,000 unemployed people are registered in Hungary. This is equivalent to an almost 8-percent unemployment rate, which compared to the West European countries can be seen as average. Nevertheless, a large section of the population finds this rate unbearable. Could the reason be the mere fact that we are facing an unusual and new phenomenon that we are not at all prepared for?

[Munkacsy] The 8-percent unemployment rate can indeed be seen as acceptable in international comparison. However, in addition to looking at the current figures, we must also look at the rate of increase. Whereas in January 1991, some 100,000 unemployed were registered, at the beginning of 1992 this figure was 400,000. In addition, we are not yet past the most difficult period because, as far as the reduced demand for labor is concerned, the effects of the collapse of the CEMA market will be delayed. We are also still to face the transformation of agricultural cooperatives. In addition, we have not yet been able to fully remove the 25- to 30-percent labor reserves within the workplaces. Although forecasts expect a humble economic upturn in the second half of 1992, the effects of this will not yet be felt in the labor market this year.

[Durst] Almost all experts emphasize that Hungarian—or I could say East European—unemployment is fundamentally different from that in West Europe. Rather than having a structural unemployment resulting from the continuous development of the economy, Hungary is characterized by an unemployment resulting from the economic downturn and restructuring. For this very reason, there are no recipes for dealing with this type of unemployment.

[Munkacsy] Indeed, we cannot find an example similar to the current East European unemployment in the history of economics. This results from the fact that the resources of the wasteful production methods that prevailed for four decades have been exhausted, most of our foreign markets have collapsed, and the economy is characterized by stagnation, lack of capital, and the conversion to market conditions. [passage omitted]



[Durst] What are the main characteristics of Hungarian unemployment?

[Munkacsy] As far as the labor market is concerned, in a geographical sense, the country has been divided into two. Unemployment is almost negligible in Budapest and in the counties along the western border, but in the east its level is much higher than average. Szabolcs-Szatmar-Bereg, Borsod, and Nograd Counties used to be in the most critical situation, but now Szolnok and Bekes counties, the two agricultural areas have also joined them.

As for the various occupation groups, in the beginning, unskilled workers were mostly in danger, but today even skilled workers cannot feel secure. In fact, some 4 percent of university graduates cannot find jobs, either. The technical people are the main losers. This is due to the socialist concept of industrial development, which resulted in concentrating the technical intelligentsia in towns with a single industry (Ozd, Miskolc, and so on). However, because they are loss-makers, most of the factories and plants operating in these towns have had to close down or at least dismiss the redundant labor force. This means that people with the same qualifications become unemployed in large numbers, which makes it harder to find employment. In addition, there are huge differences in infrastructure between various parts of the country. Migration is almost impossible.

[Durst] With what measures is your ministry trying to deal with the unemployment problem?

[Munkacsy] In principle, our employment policy, which uses passive (payment of benefits to ensure provision) and active (job-creating investments, retraining programs) measures, corresponds to the West European countries. The only difference is that, unfortunately, as a result of the aforementioned special nature of Hungarian unemployment, the passive measures prevail at the moment. In other words, we mainly have to concentrate on providing for people who have lost their jobs.

[Durst] We often hear the accusation that the Labor Affairs Ministry is one of the weak ministries, one of the government's "neglected children...."

[Munkacsy] It has been this way for a long time in the Hungarian government structure, I could say that it is a tradition. [passage omitted] However, I hope that labor affairs will be given a greater role in forming the economic policy this year.

[Durst] However, we cannot see many signs of this yet....

[Munkacsy] The government has long been facing the dilemma whether to slow down the structural changes and, thereby, the loss of jobs, or to accept the increase of social tensions that goes with rapid change. The current and the previous government favored early transformation. However, this economic policy will soon be restricted by the huge costs of dealing with the unemployment. Financing the provision will in itself soon be

a limiting factor on economic growth. At the moment, we are spending 70 to 80 billion forints on employment policy. (This includes the Solidarity Fund with some 50 billion forints, which is to ensure unemployment provisions that is due as a basic right, the Employment Fund with 16.5 billion forints, and some other funds to do with job creation.) The fact that much more money was allocated to dealing with unemployment in the current budget shows that the government is also aware of the need to do something. At the same time, the economic policy contains many contradictory features. For example, the tax policy does not at all reflect the fact that unemployment is a true regional problem. Considering this, certain regions should be given special tax concessions, which corresponds to the West-European practice. Instead, the current budget discontinues the existing profit tax concessions, although the solution could be exactly this, namely that we release all enterprises from having to pay the profit tax in certain crisis-stricken areas. [passage omitted]

#### **National Prison Commander Views Situation, Tasks**

*AU0503165392 Budapest UJ MAGYARORSZAG  
in Hungarian 3 Mar 92 p 13*

[Interview with National Law Enforcement Commander Ferenc Tari by Andras Ko; place and date not given: "Law Enforcement on the Agenda—Prison Philosophy According to European Norms"]

[Excerpts] The government discussed the law enforcement situation in Hungary recently. Almost unbelievably, law enforcement reforms were last discussed by a Hungarian government more than 100 years ago. Some partial issues were also discussed in recent years, but these have never been followed by a thorough and comprehensive analysis of the situation. It seems that the parliamentary deputies closed their eyes whenever someone mentioned the state of prisons here.

[Ko] What can we expect now from the government steps?

[Tari] We presented an exact picture of the ideological and financial conditions of our entire law enforcement institution, including the means and direction of changing the current situation; in other words, we described the ways to reorganize our prisons that were built at the end of the last century and according to the philosophy prevailing at that time and make our prisons compatible with the European norms. [passage omitted]

[Ko] Do you have any comparative data on the number of prisoners in various countries, including Hungary?

[Tari] In the Council of Europe member states, the number of prisoners is between 50 and 150 per 100,000 inhabitants. Few people were imprisoned in the countries where the law enforcement was always developing

in a positive direction, countries that tried to curb the number of crimes not only by means of prison terms. [passage omitted]

[Ko] What is the situation in Hungary?

[Tari] The number of prisoners currently stands between 140 and 150 per 100,000 inhabitants. There are 15,421 people in prisons today, including 11,000 with valid sentences, and the rest in custody.

[Ko] How many guards are employed for these people? Less is generally said about the personnel of the law enforcement institutions than about the inmates, although these institutions cannot operate with this personnel.

[Tari] Compared to their tasks, their number is very little: 5,108. Out of this number, only 2,546 people are actually engaged in guarding and internal control activities. [passage omitted]

[Ko] Could you give an example of people who should not be imprisoned?

[Tari] Of course! I would not jail an entrepreneur sentenced to eight or 10 months for economic crimes, probably for making illegal income; instead, I would sentence him to pay a serious fine. Of course, I do not know how many such people are in prison. [passage omitted]

[Ko] What is the fluctuation of prison personnel in Hungary?

[Tari] It is rather high. Some 7 percent of our personnel changed in 1989, and 12.5 percent changed in 1991. The reason for this is that they are under tremendous physical and emotional stress, and they are extremely run down. For example, there are 100-150 convicts per one internal supervisor. An instructor deals with 80-100 convicts and takes care of their various problems. Last year, we moved 55,000 convicts on 47,000 occasions, for example transporting them to courts, hospitals, investigations, etc. [passage omitted]

### Labor Solidarity Leader Proposes Economic Program

92EP0214A Warsaw POLITYKA in Polish No 6,  
8 Feb 92 p 4

[Article by Ryszard Bugaj: "The Will To Survive,"  
surtitled "Advise the Government"]

[Text] The dispute over what should be done about the economy has always had intellectual and political aspects. As late as a year ago, or even half a year ago, the intellectual premises had been of crucial importance. That was because then the range of choices of economic policies had been broader and the political context difficult to identify equivocally. By now, however, it is obvious that the very logic of the so-called Balcerowicz Plan has resulted in its self-destruction.

The most spectacular outcome of that plan is the budgetary disaster. A balanced budget was a main pillar of that plan. In 1990 we paid an extremely high price for balancing it. And the year 1991 formally ended with a deficit exceeding 31 trillion zlotys [Z], roughly speaking. That is more, that deficit was actually financed more than in half by printing more money, by NBP [National Bank of Poland] credit. L. Balcerowicz used to scare us for more than two years with this method of budgetary financing, and it did not prevent him from asking the Sejm to legalize that practice late last year.

However, the formal deficit does not reflect the actual scale of the collapse, in view of the huge increase in the indebtedness (unpaid arrears) of various budget units, and moreover nearly all categories of outlays have been slashed with exceptional brutality. A better yardstick of the collapse of the budget is the decline in its receipts. The 1991 Budget Law had estimated these receipts modestly: With allowance for a higher inflation than presumed, they should total approximately Z310-Z320 trillion, but actually even that modest figure will not be reached and the receipts will probably (final data are as yet lacking) total Z210 trillion!

The reasons are not difficult to identify. First of all, there is the huge recession (industrial output in December 1991 was 45 percent lower than in December 1988) due to the discrimination against the state sector and the neglect of its reform; the absence of any economic policy promoting restructuring; the excessively restrictive monetary and incomes policy; and lastly, the too sudden opening of the economy to the outside. Furthermore, "tax yield," or taxability, declined as a result of the shift in the focus of economic activity from the heavily [tax] burdened state sector to the only symbolically burdened private nonfarm sector.

Despite everything the worst may be yet to come. Last December industry as a whole operated in the red (net loss Z3 per Z1,000 of volume of sales), yet big enterprises still have not been placed in receivership in large numbers. If that is going to happen now, it will be a particularly destructive process. In Poland there is no

possibility whatsoever for the assets of bankrupting large enterprises to be taken over by any other economic entities—such entities simply do not exist! It is likewise pure utopia to count on foreign investors. A sudden wave of bankruptcies of large enterprises would result in a leap in unemployment and trigger bankruptcies of many suppliers, even those whose economic situation is fairly good. There is hardly any need to prove that such a happening would mean a still further worsening—difficult as it may be to conceive—of the recession and a complete collapse of public finance. Then we would undoubtedly face a choice between hyperinflation and a return to many forms of the command economy. We would revert to 1989, except that this time the GDP level is 30 percent lower.

Economic policy must prevent the materialization of such a black scenario. This has to be accomplished under the existing political circumstances.

The restraint shown by the public in the last two years is causing many politicians to believe that further belt-tightening is feasible. They are blind to the possibility of a cumulative build-up of vexations which is prompting various social groups to choose the road of open protest. An catalyst of these protests is the growing fundamental conviction that the transformation of the economy is taking place at the expense of the pauperization of a majority of the society, coupled with the enrichment of small groups acting outside the law and employing morally reprehensible means.

The time when the articulation of social protests was inoperative and the government had practically unlimited freedom of action is passing. As in the period following the martial law era, social acceptance of a program for a broadly conceived economic policy will be an important factor. With one difference, however: In the past the establishment of political democracy had been a prerequisite, whereas now adjusting the program so as to cause it to be viewed as "equitable" [socially just] by the public is a prerequisite. It appears that, unless the public mood is caused to be positive, social acceptance of further belt tightening will be precluded. Yet further sacrifices are inevitable; and they must also be feasible.

### An Emergency Rescue Program

At present the government should focus on working out an emergency program, as the next few months will be of decisive importance. For half a year now Labor Solidarity has been ineffectively trying to prompt the government to develop such a program. We can now present to [Prime Minister] J. Olszewski a modified—in view of the changing situation—set of recommendations.

The emergency program should be chiefly intended to overcome the recession. It should not conflict with the institutional restructuring of the Polish economy, with its market oriented evolution.

Averting a collapse of public finance cannot consist in adapting outlays to extremely low receipts, as that would mean both socially unacceptable further restrictions on the elementary functions of the government and a clampdown on overall domestic demand, which would nullify the hopes for overcoming the recession. At the same time, however, it is not feasible to finance the inevitable deficit without large-scale money printing and the attendant inflation. That would result in considerable curtailment of credit for enterprises, and that too would basically complicate overcoming the recession. Another consequence would be a huge public debt, which would adversely affect the long-term possibilities of the state budget. In such a dramatic situation, budget policy must be compromise oriented, with efforts to be focused on exploring possibilities for increasing the revenues.

The [tax] burden on the state sector should not be augmented; that would be ineffective. On the other hand, the burden on the private nonfarm sector, which at present enjoys considerable tax privileges, should be increased—with the exception of small service providers and artisans. There is a need for taxing the wealthier population groups more substantially by raising the taxes levied on highest personal incomes and increasing the turnover tax levied on sumptuary goods.

Even so, the budget deficit will still remain extremely high, but this does not have to be threatening provided that the economy is back on the growth path. It appears inevitable that a part of the deficit will be financed by some form of NBP credit, although unfortunately this will spur inflation. Financing by means of domestic commercial [bank] credit has to be limited, and therefore the possibilities for foreign borrowing have to be explored and a large part of the deficit should be financed by relying on personal savings of citizens. In this place the issuance of privatization vouchers should be considered.

All these measures will however be insufficient given the hugeness of the budget deficit. This means that a sharp cutback in outlays is inevitable and must be accepted.

Augmenting the tax burden on the private nonfarm sector must mean above all an immediate discontinuation of tax relief and tax exemptions. It also appears necessary to institute a fairly low property tax and to restore, though in a somewhat milder form, the tax on wage increases in the private sector. That would be a modest step toward equalizing the conditions of that sector and the state sector (where the government's profit bite is considerable and the tax on wage increases is extremely high), and it would weaken the inflationary pressures and, above all, serve to augment budgetary receipts.

But restricting budgetary outlays should not mean any elemental commercialization of welfare and public services. Still, the commercialization of the health service has to be viewed as necessary and admissible, though to a very limited extent, not including health care for

children and youth. At the same time, the low present-day level of old-age pension should be remedied with supplementary payments. On the other hand, proposals for commercializing the educational system should be categorically rejected, because they would mean abandoning equal access to education, with all the negative consequences involved.

Substantial savings could be achieved through a tighter monitoring of budgetary outlays—where instances of waste and financing of the consumption of basically luxury goods can still be observed—and breaking with the current practice of extremely irregular funding of all domains of budgetary activity.

#### For Money and Gratis

The present course of privatization is causing the situation of state enterprises to be extremely precarious. Any such enterprise may be, regardless of its financial situation, practically at any moment privatized or "commercialized" [turned into a treasury-owned company]. Added to this is the uncertainty about the rules of the game for even the near future. In practice, this means the absence of a stable growth outlook at these enterprises. The present course of privatization is moreover also greatly unfavorable to the state budget. Hence, a realistic privatization program should be drawn up urgently, with allowance for the scope of the demand for the assets of state enterprises. Every enterprise should know whether it is or is not going to be privatized within the next two or three years. A list of the enterprises whose privatization is not envisaged should also be drawn up.

In the next few months privatization through placing in receivership should be focused on small and medium-sized enterprises, chiefly the money losing ones. The prices of their assets should be determined through auctions, and the scale of the supply should allow for the scale of the demand.

The privatization of small and medium enterprises will contribute most to their recovery and promote the appearance of "specific owners," and stimulate entrepreneurship. Relatively the largest number of enterprises can be privatized through this approach.

Capital-type privatization of large enterprises should be curtailed to a minimum. In the presence of a deep recession the appraised value of many enterprises would be extremely low, considering also that their assets would be sold to foreign investors, too. Moreover, it should be borne in mind that capital type privatization of capital is extremely costly, and the absence of a developed capital market means that anonymous ownership in large joint stock companies cannot be of substantial and positive economic importance.

Further, I believe that the distribution of privatization vouchers should definitely be abandoned. Such an inherently risky undertaking cannot be done hastily, chiefly in view of its tremendous cost and the consequences to the state budget. On the other hand, the idea of distributing

titles of ownership to such institutions as the ZUS [State Insurance Institution], the Labor Fund, universities, state foundations, etc., should be intensively developed.

### In a Hopeless Situation

I would be resolutely opposed to large-scale replacements of executive personnel. Instead, temporary (two- to four-year) contracts should, as a rule, be concluded between plant managers and worker self-governments.

The fact that state enterprises have to pay the state budget a tax on their assets causes many of them to be in a hopeless situation. Many, even when operating rationally, lack possibilities for fully utilizing their fixed assets and, generally speaking, for selling unneeded assets. It would thus be worthwhile to establish a state agency charged with taking over unneeded enterprise assets and exploring ways of utilizing them. By the same token, state enterprises would correspondingly reduce their payments to the state budget. It would be good even now to start reducing the pertinent tax rates to a level amounting to, within three to four years, not more than 5 percent of the value of enterprise assets.

The tax on wage increases at state enterprises should be gradually eased. At the same time, this tax should be restored at private enterprises, and exemptions from this tax at treasury companies should be revoked. The easing of this tax at state enterprises should consist in raising the indexation coefficient and raising the tax ceilings.

An increase in demand due to wage increases would be risky, because it would result in an increase in unit production cost. Thus, every necessary countermeasure should be taken.

Even a cautious loosening of the restrictive policy on incomes requires safeguards. It should be assumed, therefore, that relaxing the sanctions on wage increases may have to be revoked (selectively or overall) if a thorough analysis leads to the conclusion that this would result in substantial price increases. Accordingly, such relaxing should entail obligating the enterprises to notify treasury offices about any planned price increases.

An immediate implementation of "small-scale restructuring" appears indispensable. This should apply to the several hundred large and medium enterprises most threatened by bankruptcy. Their situation should be analyzed in order to classify them into enterprises which deserve support and those which should be placed in receivership and fundamentally transformed. As regards the former group, it needs either a tax moratorium or a deferral of taxes, as well as conversion of their debts (to shares in their assets) (for the lending banks too). Government loan guarantees also would be indispensable.

The "small-scale restructuring" program does not mean doing away with the principle that enterprises be responsible for their own operations. The causes of the present insolvency of enterprises are often fortuitous, and

requiring them to pay their arrears without a closer analysis would lead to mass bankruptcies with dramatic consequences.

### Guidance by the Government

I believe that a state agency handling the orders placed by the government with industry and construction, and with import enterprises as well, should be immediately established. The orders would concern chiefly the goods purchased with budget resources (e.g., medicines) as well as products whose consumption or utilization in the economy may yield special advantages but which are not manufactured domestically owing to insufficient demand as well as to investment risks. After choosing among bids, the agency should facilitate the provision of credit for the expansion of output by providing banks with loan guarantees and in special cases by financing preferential credit, and it also should assume the risk of selling products and mediate in recruiting foreign investment capital.

Credit policy can play a major role in stimulating investments, both by enterprises and by individuals. The loan interest rate should be urgently reduced by pressuring the banks and keeping a lid on their operating expenses. In this connection, the extension of government loan guarantees to investment credit and the granting of tax relief to enterprises which reinvest their income is definitely to be recommended. At the same time, above all, the directions of investment serving to encourage demand for domestic products should be especially promoted.

It appears urgent to work out a program for utilizing the foreign credit granted to Poland and channeling it largely toward the implementation of central infrastructural investment projects. Here too a broader application of government loan guarantees is important.

The unemployed can be made productive by a broader introduction of all kinds of public works projects for various categories of workers. Here it would be worthwhile to define the applicable rules for employment and to tighten the restrictions on the granting of unemployment benefits to persons who refuse to participate in such projects. These benefits should be made partially contingent on the family situation of the unemployed. Still, neither their size nor their period of validity should be excessively curtailed.

There is no doubt that greater protection of the domestic market is absolutely necessary. This also entails greater promotion of exports. Here much can be accomplished without violating our international obligations. Top priority should be given to eliminating the importation of goods without payment of customs duties and turnover tax. After all, the huge losses thus sustained by the budget are common knowledge. This requires an immediate abandonment of the principle that any enterprise whatsoever can engage in foreign trade. Only licensed enterprises with full-scale accounting systems should be permitted to engage in the import trade. As for the



introduction of restrictions on (and control of) the exportation of foreign exchange, this would not violate the principle of the limited convertibility of the currency.

### **The Sejm Lacks the Will**

The proposals presented above of course have to be made more precise. This can be accomplished solely by the intensive work of a strong and competent taskforce. I wish to emphasize that the nature of the problem is not intellectual but political. In order that the program of action proposed be implemented, several dogmas of current policy would have to be discarded, and the attendant harm to the interests of some privileged groups acknowledged.

It is unfortunately highly probable that neither the government nor the parliamentary majority will display the requisite political will. The work on the state of the budget and on the attendant legislative package warrants such fears completely. The parliament has accepted the budget report, although it represents a continuation of the policy so far! What is more, a number of the Sejm's decisions indicates that it also lacks the will to distribute the burden of the reform more equally. Leasing has been exempted from taxation, an increase in the tax on high personal incomes has been rejected, etc. At the same time, changes with dramatic consequences to persons hoping to be assigned cooperative housing have been adopted, as have decisions which basically worsen the situation of the unemployed, state-sector employees, etc. Both communists SLD [Alliance of the Democratic Left] and Liberals have voted in favor of lighter taxes. This is not surprising considering that both these groups of deputies largely represent the interests of the wealthier electorate, except that the communists are not abandoning their leftist rhetoric, and sitting on opposition benches enables them to support "prosocial" demands such as objecting to restrictions on old-age pensions. The point is that at present (because it is not always so), in order to help the least privileged social groups, a curtailment of the privileges of the wealthiest groups has to be accepted.

The recent elections also revealed that similarly neither the Democratic Union nor the Christian-National Union and perhaps also the Center Accord is willing to redistribute the burden of the reforms. It thus appears that the present government, if it desires to take the measures predicted by the prime minister in his address—and for the time being there are no signs that it will do so—it may meet with resistance within its own political camp. At the same time, can this government survive if it fails to take the announced measures?

### **ZChN's Political Success, Program Described**

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[Article by Piotr Semka: "Between the Sacred and the Profane: The Christian-National Union on the Political Scene of the Third Polish Republic"]

[Text] When the Christian-National Union (ZChN) was first established in October 1989, the press made little mention of that fact. No one was interested in yet another political party, and besides at the time jokes about "couch parties" [tiny parties consisting of as many people as would fit on a sofa] were in fashion. But in the first free elections the ZChN ranked third. Its success was, however, termed fortuitous, "quixotic." Nowadays that Don Quixote is facing a choice between adhering to lofty values or engaging in a compromise with the world of politics.

Few other parties stir such emotions. In the "Contract" [Roundtable] Sejm the ZChN had been represented by only three deputies, but that "Holy Trinity" gained more publicity than the much larger Caucus of Center Accord Deputies. The ZChN is a party blessed by the bishops and referred to as the Union of Christian Hate by GAZETA WYBORCZA. One of the ZChN's leaders, Jan Lopuszanski, declared, "My views are clear-cut, because clear-cut individuals elicit clear-cut responses." The extremist "Endeks" [former National Democrats, nationalist extremists] have already included the ZChN among the Judeo-Masonic forces. Everybody is praising the moderation of [ZChN Chairman] Professor Chrzanowski, but at the same time Jaroslaw Kaczynski [a Center Accord politician] stated in his book, "The shortest road to Poland's de-Christianization leads through the ZChN." Why is that party so controversial? What kind of party is it?

### **The Salon of the Rejected**

The ostentation displayed by the ZChN irritates many people, yet it has been attention-getting. The press had at first failed to notice that party, but subsequently it became openly critical of it. ZChN activists were not invited to political salons. They gained the spotlight owing to their stubbornness and determination. No one made their life easier.

When on 28 October 1989 the ZChN was formed in the Warsaw Polytechnic, no one had yet been mentioning any split within Solidarity. It was only half a year later that the Center [Accord] and the ROAD [Citizens' Movement-Democratic Action] were formed. The ZChN was one of the few parties with clear-cut ideological programs. Outsiders rallied round the authority of Professor Chrzanowski. The tradition of the Endeks was in disrepute and only TYGODNIK POWSZECHNY was representing Roman Catholicism in the salons. The professor brought about the fusion of two principal constituencies—the Freedom and Solidarity Club, that is the GLOS grouping headed by Antoni Macierewicz, and the nationalist-Christian Lodz grouping headed by Stefan Niesiolowski, as well as by the "Order and Freedom" Club, an Endek oriented grouping headed by Marek Jurek and deriving from the former Young Poland Movement. The pioneer of the renaissance of nationalist ideas, Aleksander Hall, at that time a minister in the Mazowiecki Government, rapidly inclined toward conservatism, but within the framework of the

Democratic Union. The ZChN as conceived by Chrzanowski was to be a fusion of nationalist, Christian Democratic, and national sovereignty traditions. Such a "novel quality" was to be different from that of any political party that used to exist in the Second Polish Republic [1919-39]. What matters most is that the new party resolutely excluded from its membership the tiny Endek groupings infected by pathological anti-Semitism and witch-hunting for Judeo-Masons.

The biggest asset of the ZChN turned out to be Professor Chrzanowski, or "Chrzan" ["Horseradish"], that being the name by which he is familiarly known. The professor has a standing welcome mat waiting for him at the palace of the primate. He also knows how to reconcile swollen ambitions and ideological disputes among his followers. Within the party his modesty is legendary; even after he became minister of justice, he keeps riding buses in Warsaw instead of being chauffeured in the official ministry car. During the consultations at the Belweder [the Polish "White House"] reporters were perplexed by his attire: He was wearing a modest overcoat and a Basque beret.

#### Why Is the ZChN so Tragic?

Columnist Andrzej Oseka joked that the faces of the nationalists are soured by their sense of mission. They are unlike the joyous Kuron or the charming Michnik. Yes, their grouping is completely different.

Not for them are embassy cocktail parties. Not for them are the Margueritas and the Helga Kirschs. They are not being quoted by *LIBERATION* (rightist, *LE FIGARO* also ignores them). Not for them are high-society bon mots, and they are not being invited to East-West symposia (not even to the ones at which food is not served). They are outside regular party alignments. They have been demonizing the Left too often, and in return they are encountering an information blockade and ironic smiles, and they are labeled as ignoramuses. In the romantic KOR times [Committee for the Defense of Workers, which triggered the Solidarity movement] they opposed ascetic suits à la Marcin Gulgulski to denim blouses. They were not surrounded by a swarm of head-turning lovely girls from "kolportaz" [distributors of underground opposition periodicals during the communist era]. As a result theirs has become a rather closed community where everything is being treated with great seriousness.

To them the basis for their resistance to totalitarianism has been a nationalist tradition rooted in Roman Catholicism. This applies even more to local ZChN activists, people linked to, e.g., parish councils, who have not previously had the chance to take part in political life, people representative of that "other Poland" with its virtues and faults.

When talking with the ZChN leaders I have repeatedly sensed in them a certain neurosis, the expectation of being attacked which precedes a belligerent style. Jan Lopuszynski stressed, "The press and TV did a lot to

caricature me. People seem to think that I am a political vampire, and a stupid one at that, one of whom all kinds of evil can be expected."

The image of the ZChN in the press is negative in a manner best represented by the Poznan *WPROST*. The attacks in the press prompted the "Holy Trinity" in the Sejm to adopt an equally aggressive style, a belligerent tone. This was exemplified by the reaction of Deputy Jurek to the distasteful photomontage in the weekly *POZNANIAK* (a picture of the Madonna of Jasna Gora with the face of Pop star Madonna, and of the infant with the face of Marek Jurek). The deputy from Poznan sued the editors of *POZNANIAK*, demanding 50 million zlotys [Z] in compensation plus, what is more important, the closing of that periodical.

The public image of the ZChN was relatively little influenced by the extremely explicit stance of Professor Chrzanowski on the elections, which was hardly at all presented on television. Before the elections the ZChN also scared the Liberals, who warned that they would not enter any government that would include that party, but who subsequently during the negotiations among the "Quintet" [of parties] lauded the nationalists for their economic pragmatism. The ZChN members are outraged by the accusation that theirs is an extremist party. In the United States the antiabortion movement is a normal element of the political landscape. "If we are accused of isolationism, let it be borne in mind that Mrs. Thatcher's conservatives also stress the protection of national separateness. We are not an exception."

#### Only on Sundays

The ZChN has properly evaluated its electoral chances and turned the firmness of its principles into an asset. It entered the elections under the slogan of "Electoral Catholic Action." Its rivals did not give it much of a chance. The proposal for an electoral alliance with Center Accord was rejected by the Centrists on the grounds that ZChN would want many more Sejm seats in proportion to the number of votes it would win. Yet the ZChN surprised everyone by winning 8.73 percent of the national vote (preelection polls showed that they would win at most 2-3 percent). The ZChN scored a tremendous political success.

But its rivals view this ironically, saying that the ZChN won its Sejm seats owing to support by Roman Catholic parish priests. One KLD [Liberal-Democratic Congress] deputy said, "The extremists always profit from a low voter turnout and considerable voter frustration. Exploiting the Roman Catholic Church's support was not fair."

And indeed, the ZChN has quite often availed itself of parish support. Not infrequently, branches of that party were formed in the vicarages, signatures for nominating petitions were collected in front of churches, and election posters were displayed in church showcases. The activities of the ZChN were so often linked to those of the parishes that afterward the suggestions of certain priests

in favor of voting for the "Seventeen" could not surprise anybody. The electoral success of the WAK [Electoral Catholic Action] was also helped by the reception of its leaders by the Primate of Poland just before the elections. And although Kaczynski [a Center Accord leader] could boast of being a worthy rival in this kind of competition, inasmuch as he had been received by the pope before the elections, the influence exerted by the local parish priests on the electoral results proved much more effective. This had provoked the malicious question, posed in "The Electoral Studium," "Had the elections been scheduled on a Sunday, would their results have been as good?"

#### **Render Unto God What Is God's and Unto Caesar What Is Caesar's**

Why did the WAK decide in favor of such close contact with the Catholic Church during the electoral campaign? Undoubtedly there was the feeling of living in a besieged fortress, the fear that Catholics would be confined to the denominational ghetto in a country that is becoming secularized. A local ZChN activist from Gdansk commented, "The Press is increasingly often ridiculing the foundations of a deep respect for the tenets of the [Roman Catholic] creed. Catholics are being studied under a magnifying glass, as it were. After religious instruction was introduced in schools, reporters began an intensive effort to identify instances of religious discrimination. Yet the teaching of religion means propagating positive values, but no one is mentioning this in the press. It is easy to ridicule us, but what is going to replace us?"

Deputy Marek Jurek explained, "In 1989 nobody was bothered by the fact that Solidarity committees met in parish buildings. But let us not just say that in the 1989 elections the point was to combat communism. Even greater values were at risk in those elections: the right to life on the part of the unborn and the existence of the Roman Catholic representation. The political establishment was attacking Catholicism, so the church had to be defended."

Opinions of this kind are questioned by many. The critics point out that under communism the churches were the sole oasis of liberty and so had to exercise a quasi-political role, whereas in a free country politics should be divorced from places of religious worship. The clergy should reveal no political preferences. Defense of the church? Yes, but by the church itself, on its own behalf!

What then is the boundary between the sacred and the politically profane? Who is the winner and who the loser? The ZChN is being accused by the Left of wanting the Roman Catholic Church to become a new leading force. That is an obvious exaggeration. Nevertheless, one ZChN member has stressed, "our point of reference is the national community, educating it in the Christian direction." Stefan Niesiolowski commented, "We do not want a theocratic state. But at the same time we reject

the concept of a state neutral in world outlook [i.e., of separation between church and state], since a neutral state is de facto an atheistic state. There is no such thing as a neutral world outlook, and its adoption would signify eliminating Christianity from public life. In a neutral state the cross would have to disappear from the schoolroom wall."

At the Second ZChN Congress Marek Jurek claimed, "A neutral state is a state tending toward an erosion of the social attitudes based on Christianity."

Such a principled view is eliciting polemics from the Christian democrats, headed by Center Accord. The Christian democrats fear that the uncompromising style of the ZChN will elicit a counterresponse among the public, in the form of fear of and animosity toward Roman Catholicism. "The ZChN does not want to educate the public about the social teachings of the church. Instead, it takes the faithful as they are and desires the facade of a Roman Catholic country to endure." Another Center Accord member declared, "I fear that their [the ZChN's] actions are reducing the nature of Roman Catholicism to matters of customs and mores. The public associates the church more with the campaign against "sex shops" than with what Roman Catholicism has to say about personal growth."

But it is by its proposed prolife legislation in the Sejm that the ZChN is best known. Stefan Niesiolowski said, "Objecting to the killing of the unborn is not a Roman Catholic dogma; it is an attitude ensuing from a natural law rather than an effort to turn the admonitions of a particular religion into a law applying to all, and hence also to atheists. In the United States Christians, Jews, and atheists are active in the prolife movement."

As now known, the draft [antiabortion] law (providing for penalties for abortionists but not for mothers) is going to cause divisions within the Sejm. The opponents of that law warn that the penalties will produce worse consequences than the abortions permitted by law at present. To them, abortion is an evil but the proposed law will merely encourage illegal abortions. To these arguments the ZChN offers a single answer: "Abortion is murder, and this is where the discussion ends. There is no point to speaking of some greater or lesser evil. There can be no consent to murder." It may be that this dispute will be resolved by a referendum. The ZChN rejects this solution: "Personal opinions may not determine what is prohibited by the Ten Commandments." In the event that a referendum on the right to abortion is conducted, it may turn out that a large segment of the Polish public professes Roman Catholicism but is opposed to any restrictions: It accepts abortions, pornography, and secularization. A party struggling to promote Christian values among a public that is 90 percent Roman Catholic may suddenly become alienated from that public. This—of course—hypothetical possibility shows that speaking out on behalf of the community of the faithful may be questioned by the faithful themselves.

Lastly, some critics warn that, when the ZChN identifies itself with the Roman Catholic Church, it is the latter that may prove the biggest loser.

The quondam supporters of the Young Poland movement who have left the ZChN and are nowadays conservatively inclined, are clearly skeptical: "An electoral win under the banner of Catholic Action is tantamount to issuing a blank check to the ZChN for what are, after all, political activities. This is highly advantageous to the ZChN but much less so to the Roman Catholic Church. In Italy the church's electoral support of the Christian Democrats did not benefit it at all. Another former Young Poland supporter stressed, "It is the church that is harmed most by the lack of an explicit separation between church and state. The Polish Roman Catholic Church is facing a crisis of values in the society. That crisis will not be overcome by grafting fundamentalist accents onto the life of the society. The problem of de-Christianization will not be resolved by the current policy. There is a need for long-range action. The confusion between the sacred and the profane, as represented by the ZChN, is disturbing."

At the same time the conservatives reject the accusation that ZChN advocates escaping from the new civilization to traditionalism. "We are yet to wage a discussion of the threat of a crisis of nationalist feeling. The Left still fears nationalism, but a more evident danger is the growing indifference of the rising generation to tradition. The Polish society is becoming rapidly secularized, and people are getting irritated by ethical constraints. In the mass media *Batman* is dislodging [Sienkiewicz's] *Trilogy*, and churchgoing is considered as something too embarrassing to mention. In such a context advocating a strong family, personal responsibility, and the ties linking the national community is important. But the problem is that a drastic counteroffensive would meet with resistance from the public."

### The Polish Way?

The ZChN is a party which it is difficult to unequivocally include among any of the main political orientations in the West. Its ideology is distinctly different from that of the Christian Democrats. For while the West European Christian Democrats were the precursors of the European Community, the Endek tradition in Poland promotes nationalist egotism. Some ZChN members even entertain the extremist opinion that a united Europe was conceived with the object of destroying national distinctness. Marek Jurek stressed, "To the Christian Democrats democracy is a dogma. To us, democracy is a good, but not a higher good than our common good or the Ten Commandments." The Christian Democrats emphasize Christian personalism, whereas to the ZChN it is the national community that is the supreme value. Stefan Niesiolowski commented, "We differ from the Christian Democrats in that we place explicit emphasis on the Polish national interest." Hence certainly the sensitization to the German threat and the actions on behalf of the Polish minority in

Lithuania—ZChN activists cofounded the Citizens' Committee for the Protection of Poles in the Wilno [Vilnius] Region. The ZChN claims that the Western model of Christian Democrats will not work. A Christian party should place greater emphasis on national values than on universal ideas. "The elections demonstrated the defeat of the divided Christian Democrats. We, on our part, did not refrain from an explicit program of action and emerged as winners."

The ZChN perceives analogies between itself and foreign parties stressing national specificity. Marek Jurek said, "We partially resemble British conservatives and partially French Gaullists or the Irish Fianna Fail. In our opposition to abortion we are close to conservative Republicans in the United States. It may be that our political parties will follow the same division as in Israel: liberals, socialists, and religious conservative parties. Within the French National Front, the Catholic grouping of Bernard Antony deserves attention." Another ZChN member declared, "Indeed there are no parties like ours in the West. Over there, parties are less ideological, but then they find it needless to emphasize ideology."

Claims of this kind irritate the Sejm partners of the ZChN, who say, "At times [the ZChN] seems to imply that it has a direct telephone line to the Almighty."

Will the ZChN liberate the Polish Right from its myths? Of a certainty, it has isolated the continuation of nationalist thought from anti-Semitism. As for that party's grassroots membership, however, it is difficult to tell whether anti-Semitism has disappeared from its mentality. When asked whether, for example, sellers of *The Protocols of the Sages of Zion* might not be scurrying around the party's periphery, Marek Jurek answered, "Perhaps they do, but that is not surprising. Pornographic literature also is being sold freely on newsstands." To the argument that in the post-Holocaust world anti-Semitic literature cannot simply be ignored, Jurek offers the riposte: "Let us be objective. By the same token pornography should not be tolerated either. Advocating libertinism is unacceptable in face of the holocaust of the unborn [abortions], a holocaust that is still continuing."

### And Outside the Ten Commandments, What Else?

During the negotiations between the "Quintet" [of ruling parties] Henryk Goryszewski (the author of ZChN's economic program) declared, "On economic matters we are even ready to accept a major compromise. The only thing we are steadfast about in our program is our opposition to any modification of the Ten Commandments."

This flexibility was a huge surprise to all. During the electoral campaign the ZChN had sharply condemned [the] Balcerowicz [shock-therapy plan] and criticized the liberals, without offering any specific solutions of its own. As indicated by INFAS data, a majority of ZChN voters consisted of persons more than 60 years old, smalltown dwellers and rural inhabitants rather than the

inhabitants of big cities. These social groups feel threatened by the rapid changes. During the electoral campaign one ZChN candidate won popularity by advocating guaranteed procurement prices for farmers, as was acidly reminded by the liberals during the "Quintet's" negotiations. The ZChN's grassroots membership is clearly pressing for shielding the population against the adverse side effects of the reforms, and for slowing down the march to Europe. "What matters is that Polish farmers remain tranquil." This prompts the ZChN's critics to make the accusation that we are dealing with a party whose rhetoric is rightist but the overall view on the economy is leftist.

The flexibility demonstrated by Goryszewski during the "Quintet's" negotiations—"He knows how to talk about the economy but also, this being more important, he knows how to listen"—has not altered the ZChN's decidedly negative opinion of the policy of the Liberals.

Henryk Goryszewski, the chairman of the Sejm's Economy, Budget, and Finance Committee, claimed, "Ours is an illiberal view of the economy. We view as primitive the liberals' idea of a state which does not intervene into economic mechanisms. The individual should attend to making a living while the state should attend to ensuring a benign economic climate [without] at the same time relinquishing its care for the weakest social groups."

Goryszewski's views on privatization are even much sharper. He emphasizes, "Lewandowski [ex-director of the Ministry of Ownership Transformation] has sold good enterprises for pennies. Two ministers should investigate his activities."

Critics of the ZChN point to the extreme sensitivity of the nationalists to the entry of foreign capital. During the electoral campaign the ZChN often identified threats to national interests with threats to group interests. Quite often its candidates referred disparagingly to "a sellout" and "alien capital." One liberal said, "In a situation in which Poland is adapting itself to the economic structure of Europe, certain groups which feel their interests to be threatened may couch the economic conflict in nationalist terms." But there also are economists who rejoice that the permissiveness of the liberals will be balanced by politicians who wish to protect the interests of our agriculture and industry.

The ZChN strongly emphasizes the need for a social policy protecting the family. It argues that the social teachings of the church are sensitized to social welfare. Hence also the portfolio of the minister of labor for a ZChN member.

Center Accord politicians who have already had experience in the government say, "Participation in governance will disenchant their [the ZChN's] economic beliefs. They have already accepted the idea of foreign investment. Perhaps even their suspicious nature will help ward off potential scams. Given the state of our

treasury, they will realize the meaning of a welfare-oriented market economy in our conditions. We have already gone through this learning experience. It is still awaiting the ZChN."

#### A Soft Landing for Don Quixotes

At present the ZChN is perhaps the strongest of the ruling parties, being represented by three ministers of state and the government press spokesman. In addition, its 49-member caucus of deputies is one of the strongest forces in the Sejm. It has become a partner who cannot be ignored in parliamentary politics, and this has somewhat blunted its ideological zeal. With surprising rapidity the ZChN has learned the art of compromise, and of dialogue with political adversaries. It is more pragmatic than had been expected.

But the higher the ZChN adjusts the broad-jump bar of values, the more sharply will its compromises be evaluated by its rivals. Its relation with the party closest to it ideologically, Center Accord, are correct. Even so, its members voice doubts as to whether Center Accord is really a Christian party. And Center Accord on its part is annoyed at the patronizing tone of the ZChN. "In a Catholic country when a party stresses that it is a Catholic party, this is bound to lead to a competition over which party is more Catholic. Who shall decide it? The church? That would not suit us."

Within the ZChN itself a different split is forming.

The pragmatists in the ZChN are interested in actual participation in governance, in the formation of a ruling coalition. The fundamentalists, in their turn, who place a premium on ideology, view their purpose as that of bearing witness in face of public opinion, for which the Sejm is a suitable forum. When occasionally criticized, the pragmatists reply, "Have not you reflected on how to translate lofty values into actual reality?"

However, there is no threat of a factional schism for the time being. The ZChN remains, so far, rallied round Chrzanowski and is preoccupied with its new political prominence.

Following two years of rule by governments that failed to appreciate Catholic values, a party representing "ordinary Poland" has entered upon the stage. Such an electorate is not a Polish specialty. There is the saying, "The France of Joan D'Arc," which denotes a group of conservative Catholic voters, traditionalists inimical to a general secularization [and to] citizens who desire to exert a democratic influence on the visage of their country. In America similarly there is the so-called Bible Belt—conservative states in the Midwest [as published]. They are a normal element of political life.

The rise of a similar element in our country is merely a manifestation of political normalcy. The ZChN, too, will in time cease to elicit fear and controversy. The "Don Quixotes" will become more stable [now that they are part of] the political establishment.



[Box, p 10]

**Professor Wieslaw Chrzanowski, Chairman of the ZChN:**

Chief authority of the party, Speaker of the Sejm. Author of the ZChN's program. Ex-Home Army soldier. After the war he spent eight years in prison for activities within the Union of Young Christians. Although he had applied to the bar as early as in 1957-60, he was admitted to it only in 1981 (following three successive objections from the minister of justice). In the 1960's he was a member of the team of associates of Cardinal Wyszynski. In 1980 he was a framer of the Solidarity's charter, and until 1989 he kept his distance from any Catholic group sanctioned by the regime. His competence in political science is unquestioned. As an individual Chrzanowski serves to keep a balance between the Christian-independentist and nationalist orientations.

[Box, p 10]

**Henryk Goryszewski, ZChN Deputy Chairman:**

Adjunct professor of law at the University of Warsaw, legal adviser to the Ministry of Industry. In the 1960's he was linked to Endek circles and in the 1980's to the official Polish Catholic-Social Union. Organizer of the Ecclesiastical Order Police, principal representative of the ZChN orientation based on the traditions of the National Democrats. His views on the economy are said to have become surprisingly pragmatic.

[Box, p 11]

**Antoni Macierewicz, ZChN Secretary General:**

Raised in a scouting milieu. Repressed for his participation in the student demonstrations in March 1968. Cofounder of KOR, leader of the GLOS grouping, Solidarity activist, underground activist. In cofounding the ZChN he accepted a part of the national tradition, but he distinctly opposed the admission of groupings encumbered by anti-Semitic phobias. Within the party he is viewed as a representative of the Christian independentist orientation. Currently minister of internal affairs.

[Box, p 11]

**Marek Jurek, ZChN Deputy to the Sejm:**

A politician of the rising generation, raised in the milieu of the Young Poland movement, subsequently of the Order And Freedom Club. Represents within the ZChN an orientation that poses with special acuity the issue of Christian values in the life of the society. A sharp and dexterous polemicist. Criticized by pragmatists for his fundamentalism. Representative of the young and uncompromising people in their thirties (Marian Pika, Maciej Srebro, Jacek Turczynski).

[Box, p 11]

**Stefan Niesiolowski, Leader of the Parliamentary Caucus of ZChN Deputies:**

Early in the 1970's he was incarcerated for participating in Ruch, an independence-minded conspiratorial grouping. ROPCiO [Movement for the Defense of Human and Civil Rights] and subsequently a Solidarity activist. Together with the Lodz Christian democrat grouping (Kropiwnicki, Palka) he joined the ZChN. Main representative of the "pragmatists" within the party. A politician who is extremely well-liked and respected even by his UD opponents. His friendship with Jan Litynski is well-known.

[Box, p 11]

**Jan Lopuszanski, ZChN Deputy to the Sejm:**

A lawyer, one of the youngest ZChN leaders (born in 1955), known for his prolife speeches in the Sejm. Early on in his political activities he was linked to the Gdansk constituency of the Young Poland movement. In 1981 he became a Solidarity adviser at the Katowice Steelworks and a member of the regional Solidarity board. Following his transfer to Radom he became a leader of the local Solidarity of Private Farmers. Linked to the Pastoral Movement of Working People. Initiator of the formation of the first Citizens' Committee in Radom.

In 1988, he began doctoral studies at the Catholic University of Lublin. He is writing a dissertation on the legal aspects of interruption of pregnancy.

Together with Marek Jurek and Stefan Niesiolowski a cofounder of the ZChN. Within the party he is seen as a champion of the merger of the nationalist movement with the Christian movement and of reliance on the traditions of all the independentist political parties that used to exist in the 20-year interwar period. Married, with five children.

**Regional Administrative Units vs. Lobbies Viewed**

92EP0218A Katowice TRYBUNA SLASKA in Polish  
13 Jan 92 p 3

[Interview with Jan Rzymelka, chairman of the Sejm Committee on Environmental Protection, Natural Resources, and Forestry, by Marek Wojciechowski; place and date not given: "Silesian Issues"]

[Text] [Wojciechowski] During the electoral campaign both the Upper Silesian Union and the Liberal-Democratic Congress, the coalition which you represent in the Sejm, supported regionalizing this country. Given their absence from the government, is there a chance for regionalization to take place?

[Rzymelka] Regionalization is an inevitable process. The rich countries of the West base their accomplishments precisely on regions. It is possible to delude oneself and others by claiming that decentralization would weaken

the state, but such a claim would not be a basis for building a sound economy. I believe that the problem of weakening the center in favor of the regions is beginning to be perceived by growing numbers of people, constituencies, and political parties, thus bringing its solution much closer. All the more so considering that in our Polish parliament (and especially in the Senate) we are dealing with over-representativeness of small voivodships, which does not actually reflect the evolution of the national economy.

[Wojciechowski] Your comments seem to imply that Silesia is unable to get sufficient recognition in the parliament for its problems.

[Rzymelka] Yes, Please consider that, say, Chelm Voivodship (population 800,000) is represented by two senators, whereas Katowice Voivodship (population nearly 5 million) is represented by only three. This fact illustrates best the unfavorable image of the actual potential of the Silesian region and of its contribution to the national economy. This is linked to another issue, namely, the rule of an equitable distribution, which operates "proportionately to the representation." As vice chairman of the National Foundation for Donations, I have repeatedly witnessed the manner in which billions of zlotys in donations were distributed among discrete voivodships. There are nearly 50 voivodships in Poland, and therefore the total sum was divided into 50 parts. Our Katowice Voivodship received about 2 percent, a relatively small amount compared to what we gave.

Please bear in mind that we do not want anything but merely demand greater justice. In our desire to rectify this situation, which is disadvantageous not only to Silesia but to Poland, we are working on several solutions. One of the proposals contained in the new constitution is that the Senate become a representation of discrete regions. Should that proposal be adopted, building some Silesian lobby, which is so feared by everyone, would be unnecessary.

[Wojciechowski] Yes, exactly, do you not think that a nonpartisan bloc of Silesian deputies to the Polish parliament, formed with the object of promoting the resolution of "Silesian issues," would be a justified undertaking?

[Rzymelka] The problems of Upper Silesia are not understood by many, perhaps too many, deputies. That is why it would be good if these problems were to be resolved by deputies from Silesia themselves. Many councilmen and town mayors who are "sensitive" to local-government issues in Silesia have been elected to the Polish parliament and their resourcefulness and knowledge of local issues should not be wasted.

[Wojciechowski] Should a "bloc of Silesian deputies" indeed be formed, what matters should it deal with, in your opinion?

[Rzymelka] First of all, with modifying the classification and design of the state budget. As they are formulated at

present, they acknowledge the authority of the Central Planning Office and the minister of finance. That is bad. A system of budgetary norms releasing the creative energies of budget units—whether regions or enterprises, etc.—should be created. Moreover, and that is an issue of crucial importance to the population of our region, we should monitor the effectiveness of the spending of funds designed for environmental protection. The situation of years ago when we proudly used to declare that we spent such and such a sum of money on ecology should not be allowed to repeat itself. Specific stages and targets should be designated; for example, in one or two years we are to reduce atmospheric carbon dioxide emissions by 20 percent and take effective measures in that direction. Here precisely I perceive a vast field of action for Silesian parliamentarians. Let us monitor the resources we allocate for health, environmental protection, ecology, etc. This is highly important to the region.

### Conflicts in Soviet Troop Withdrawals Discussed

92EP0219A Gdansk GLOS WYBRZEZA in Polish  
25-26 Jan 92 pp 1, 3

[Interview with Colonel Stefan Golebiowski, government plenipotentiary for Soviet troops stationed in Poland, by Jacek Lindner; place and date not given: "Sweeping Up After the Alliance"]

[Text] For some time now emotions have been aroused concerning the sojourn and withdrawals of units of the Northern Group of the Soviet Army. The Polish side charges that the Russians are not meeting their obligations, and the Russians on their part reply that they have withdrawn many more troops than the Poles claim. I requested information on this topic from the Polish Government plenipotentiary for the sojourn of Soviet troops in Poland, Colonel Stefan Golebiowski.

[Lindner] Colonel, sir, let us establish the facts. How many Red Army soldiers were there at the moment when their withdrawal from Poland had commenced? How many have already left our country and how many remain?

[Golebiowski] I suggest that we backtrack to the year 1957, when the governments of the Polish People's Republic and the USSR signed an agreement for a temporary stationing of the Northern Group of the Red Army in Poland. According to that agreement the number of Red Army troops was fixed at 62,000-64,000. It also specifies that the commander of the Northern Group of the Red Army shall notify the head of the Polish Ministry of National Defense about troop movements and changes within the Red Army at least once every six months.

Now I can return to your question. We have never known just how many Soviet troops are stationed in Poland. Let me emphasize that we could only make guesstimates. Thus, we estimate that early last year there were about 50,000 Soviet troops stationed in Poland. Next, on the basis of that calculation, with which the

Russian side agreed, and on the basis of reports on the number of the troops and equipment being withdrawn, we estimated what part of that total had already left Poland. Our records show that between 18 April and 31 December 1991 a total of 4,120 soldiers left Poland. It is worth noting here that the last operational transport took place in August and, according to our information, during the subsequent four months not a single soldier of the former Red Army has left this country.

[Lindner] Does this mean that the withdrawals have stopped and the agreement was broken?

[Golebiowski] During those four months only equipment was withdrawn. Hence also, in our opinion, the Russians did not adhere to the terms of the agreement they had signed, since during that period 10,000 soldiers were to be withdrawn.

[Lindner] The Russian Ambassador to Poland Yuriy Kashlev is of a different opinion. On 22 January he declared in a radio interview that the Poles are counting only the troops being withdrawn by rail, whereas many troops are being withdrawn by sea and air.

[Golebiowski] Please consider that we have repeatedly asked them to base our relations on the principles existing among all civilized countries. After all, to this day they still have not provided us with any information on the numerical size of their troops and the timetable for their withdrawal. Nothing. That despite our numerous efforts to the contrary. This is definitely a breach of the agreement specifying that the commander of the Northern Group of the Red Army is to notify our Ministry of National Defense about any such changes.

[Lindner] How then could Yuriy Kashlev make such statements?

[Golebiowski] I repeat that they are not adhering to the agreement. If they are certain that they have already withdrawn more troops, they should provide us with the pertinent information and timetables. Let them convince us that we are mistaken. Actually, however, our inquiries are meeting with lack of response and with imprecision.

We have repeatedly asked to establish Polish customs offices on two of the many airfields they are using, so that we could learn what they are shipping out of Poland and in what quantities. After all, it is normal for a sovereign country to want to know what is being removed from its territory by foreign troops. Our demand, which is consonant with international law, did not meet with understanding from the other party. I do not mean to make any insinuations, but this raises the question of why the Russian side is so defensive about letting Polish customs offices operate?

Let me add moreover that we know nothing about the use of any sea or air routes by the Red Army.

[Lindner] Incidentally, what locations so far have been completely vacated by the Red Army?

[Golebiowski] So far they have vacated 13 garrison towns and three voivodships: Szczecin, Torun, and Walbrzych. In addition, they pledged themselves to transfer to us four firing ranges.

[Lindner] To be sure, gentlemen do not discuss such matters, but could you all the same tell us something about financial settlements of accounts between us and them?

[Golebiowski] This is one of the thorniest issues. Anyway it is understandable, because whenever money is involved the matter becomes controversial. The Soviet Army has been using or leasing a particular number of facilities, some of which already existed on the territory of its garrisons and others of which they had built themselves. In cooperation with other ministries, we established the rules for appraising their value. The Russians disagreed, of course, and proposed a method of their own. At present the search for the golden mean is continuing. This is an onerous task as demonstrated, for example, by the difficulty of defining a usable residential building. We define it as one that contains windows, bathtubs, ovens, floors, etc., whereas they show us a hovel with an earthen floor and claim that it is usable because it was inhabited by officers. The problem is urgent considering that by now the Russian side transferred to our disposal more than 1,000 facilities which we evaluated solely in terms of their technical aspects so far.

[Lindner] Much has been said about the ecological devastation of the land released to us by the Russians.

[Golebiowski] Yes, that is true. In many cases, and especially as regards airfields, the 45 years of use by the Red Army have resulted in monstrous pollution by petroleum products. I would rather not give any specific figures, because they have not yet been conclusively established. But still, for example, the territory of the airfield in Stara Kopernia has been classified as an ecological disaster. The recultivation of such land will require huge funds.

The problem of utilizing these facilities arises. In the current changed political situation we do not need all the [Russian military] facilities in western Poland which are already so saturated with defense facilities, so that our military could not cope with administering them as well. Besides, what can foresters do with forest bunkers?

[Lindner] Colonel, sir, I understand that the financial aspect still has not been resolved. The only thing agreed upon in that respect is the timetable, but there too obstacles exist. Well then, will operational troops be really withdrawn by 15 November so that only a small contingent of logistical support troops overseeing the withdrawal of the Red Army from the former GDR would remain in Poland?

[Golebiowski] I believe that even that contingent is unnecessary, because our railroaders can excellently manage the transit of troop transports. We are indeed

managing it in a model manner. But since such is the outcome of the negotiations.... I hope that the remaining group of Red Army soldiers will clean up after themselves, as promised by their commanders. I consider the above deadline as realistic. But the Russians should change their tactic and provide us with a specific timetable. I fear, however, that discrepancies may persist.

But please consider the fact that so long as the Russians had been steadily withdrawing their troops and agreeing with our estimates of their size, peace had reigned "in the ether." Once they became less cooperative, however, my having declared publicly this lack of cooperation was like stirring up a hornets' nest. They began to protest. Why did they not protest earlier, starting last August, when we monitored them? After all, that morbid secretiveness of theirs is causing us to be ignorant of the real number of the troops they withdrew. It could be 4,000 or it could be 20,000. Such a situation cannot continue.

[Lindner] In your opinion, what is causing the delays of troop withdrawals?

[Golebiowski] Both the political issues, the collapse of the state, and the economic disaster. Really, these troops have nowhere to return.

[Lindner] Thank you for the interview.

#### Trade with Post-Soviet Countries Examined

92EP0220A Wroclaw SLOWO POLSKIE in Polish  
27 Jan 92 p 3

[Interview with Professor Jan Rymarczyk, chairman of the Institute of Foreign Trade at the Wroclaw Economics Academy, by Zdzislaw Zielinski; place and date not given: "Trade With Our Eastern Neighbors"]

[Text] In the last two years our trade with the former Soviet Union has collapsed. The reasons are both the disintegration of its economy and a long growing recession of many years standing, as well as our too hastily proposed basing of such trade on hard currencies. At present on the other side of our eastern frontier there exist new states with which we are establishing trade contacts from scratch, generally on the basis of previous principles.

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"What is the present condition of our trade relations with the neighbors in the east?" We asked Dr. Jan Rymarczyk, chairman of the Institute of Foreign Trade at the Wroclaw Economics Academy.

[Rymarczyk] By now we should be speaking of relations with former USSR republics. For some time now each of these republics has been concluding its own independent agreements for economic cooperation and trade. We have already signed such agreements with Russia and Belarus, and additional ones with Ukraine, Moldova, the Baltic republics, and also, e.g., with Kazakhstan and Uzbekistan (for shipments of raw cotton in return for

finished cotton products) are being drafted. Whether we speak of trade with the USSR or with the republics, its present condition has to be viewed as horrendous. The decline in that trade in 1991, compared with the preceding year, is greater than anticipated by even the most pessimistic forecasts and will amount to about 70 percent, while the volume of our construction and installation services has tumbled even more steeply, down to one-tenth.

[Zielinski] What are the causes?

[Rymarczyk] The disastrous economic situation of the republics, the steep decline in output and economic activity, and the obsolescence of industrial facilities. Experts envisage that the countries that have arisen following the collapse of the Soviet Union will have to import even liquid fuels, unless they invest billions in oil extraction. The coal shortage in these republics is estimated at 40 million metric tons given a mild winter and as much as 90 million tons if the winter is severe. The heirs of the Soviet Union are facing a payments bankruptcy and may declare insolvency. The republics are gripped by a competitive chaos, and permits for trade have to be procured by [going through red tape] from municipal, county, and republic authorities. As a result, the reform of foreign trade is still in its swaddling clothes. Some effect on trade between Poland and the Soviet Union has been produced by the transition to a new system for clearing accounts. This has caused our terms of trade to deteriorate, with export prices having increased by 40 percent and import prices by 170 percent.

[Zielinski] What is the nature of the new system for clearing accounts?

[Rymarczyk] Under the agreement concluded with the USSR on 13 November 1990, all accounts and payments must be settled in convertible currencies as of 1 January 1991. At the same time, the possibility of clearing accounts in transfer rubles until the end of March 1991 was left open, with regard to previously signed contracts. The agreement also contains a clause allowing other forms of payment if both parties are agreeable. That clause is of great practical significance, because neither side has sufficient amounts of hard currencies available. The new agreements are based on similar principles.

[Zielinski] This means transition to barter trade, does it not?

[Rymarczyk] Not only that but also compensation clearings, dollar clearings, etc. In the first half of 1991, a major barter deal for shipments of Polish food in return for natural gas was concluded. It provides for shipments of 600,000 metric tons of potatoes, 50,000 tons of onions, and 20,000 tons of apples in return for raw materials. As part of the EC's assistance to the former USSR, goods purchased in Poland will also be shipped to it. The Russian government has proposed bartering food from Poland for goods which we can acquire at the

Russian stock exchanges. However, that proposal displays shortcomings because of the soaring inflation over there—the money earned would have to be spent at once, and besides there are the problems with transportation and insurance, and the chaotic regulations prevailing at Russian stock exchanges. The problem of the payment of the Soviet debts owed to Poland remains open. Last year we had several times seemingly reached agreement on forms of that payment, but each time it was wrecked by the unwillingness of the republics to accept responsibility for these debts, because of shortages of foreign exchange and limited economic possibilities. We must thus reckon with new and prolonged negotiations.

[Zielinski] What opportunities do you perceive for rebuilding correct relations?

[Rymarczyk] These opportunities hinge on political and economic stabilization, on the progress of the reforms and on the restructuring of the economy. But even without waiting for that to happen, a broad drive to revive our trade with these new states should be undertaken. Of major importance will be the promotion of our goods, the organization of fairs and exhibitions, the provision of information on the possibilities for concluding cooperation agreements of the joint venture type, the expansion of industrial and commercial cooperation and cross-border trade, and the creation of legal-institutional forms [bilateral treaties] of expanded cooperation.

[Zielinski] Does not this resemble the activities of CEMA?

[Rymarczyk] Absolutely not. This concerns economic agreements, exchanges of lists of goods which the parties to the agreements can trade in, and the establishment of bilateral chambers of commerce and industry between the new republics and Poland. Recently an interesting international organization called WEST has been formed. Its purpose is to reestablish trade relations among the countries of the former CEMA and incorporate them in the world trade system. It envisages the establishment of an East European stock exchange in Moscow, an international clearing bank in Warsaw or Budapest, and the introduction of a special currency unit of account worth 2:1 in relation to the dollar. Its members will be, unlike in CEMA, not countries but individuals and legal entities from the East and the West. Poland has already three members in that organization. For those who are interested, information on that organization can be provided by Misconi Company in Warsaw, phone: 368-504 and 363-990.

[Zielinski] Thank you for the information.

### Drawbacks of Stock Sales Pointed Out

92EP0224A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 10 Feb 92 p II

[Article by A.K.K.: "Privatization Through Stock Sales Slow and Costly," subtitled "In the Opinion of the Council for Ownership Transformation"]

[Text] Privatization through stock sales consists in the sale of stock or shares in treasury companies to domestic or foreign investors. Technically considered, the following approaches are possible: a public offering, sale to a selected investor, or a buy-out by the enterprise's employees. During its last plenary session (on 23 January) the Council for Ownership Transformation evaluated the results so far of privatization through stock sales. Below we present the council's findings and opinion on the topic.

—Seven enterprises privatized at the end of 1990 or at the end of 1990 and beginning of 1991, and 24 privatized in the course of 1991—such is the outcome so far of privatization through stock sales, as reported by the Ministry for Ownership Transformation.

—The Council for Ownership Transformation resolved that the outcome so far of privatization through stock sales does not adequately meet the needs of the economy and the assumptions of the government's privatization policy, both quantitatively and in terms of income from the privatization. The most effective form turned out to be the sale of large blocks of stock (shares) to selected investors. In this respect the government program (for the privatization of 20 firms) has been almost completely fulfilled and negotiations for the sale of another 20 firms are in an advanced stage. But as for sales of stock through offers to the public, they proved to be much less satisfactory, even though this form of privatization promotes broader public ownership of shares and has made it possible to establish the Securities Market.

—The income from privatization turned out to be drastically low, amounting to barely 20 percent of the originally anticipated 15 trillion zlotys [Z].

—The concept of privatization through stock sales was designed for large, well-managed enterprises in good financial shape that are well situated on domestic and/or foreign markets. The worsening recession is making it increasingly more difficult to find enterprises meeting these criteria. The criteria for privatization through public stock offerings may not be relaxed. At the same time the guidelines for selecting the enterprises to be privatized should be tightened.

—According to the Council for Ownership Transformation, the results of privatization so far point to scarcity of both indigenous and foreign capital. In the case of indigenous capital, the council thinks that the problem is not any actual shortage of funds but shortage of interest in privatization. The council inclines toward the opinion that the formal and legal conditions for foreign investment in Poland can be viewed as satisfactory, but at the same time the economic crisis and the uncertain political and social situation add an element of excessive risk to such investment. The council has declared itself to be troubled by the attitude of the new heads of the Ministry of Ownership



Transformation toward the transactions already concluded with the participation of foreign capital, which undermines the credibility of Poland as a partner.

—As ensues from various studies, privatization is accompanied by an increasingly adverse social climate. Thus while the concept of private ownership in the economy has gained acceptance, the resistance to the manner in which ownership transformations are brought about is growing.

—Another major obstacle to privatization is the organization of the process of ownership transformations. "Limited resources, faulty or even absent coordination of the work of decisionmaking centers, jurisdictional disputes, and the shortage of properly trained

experts in privatization—all this is adversely affecting the efficiency and effectiveness of privatization," we read in the council's document.

—Privatization through stock sales, especially in the form of public stock offerings, is costly, and its cost should be made public. This cost was to be reduced through the so-called sector approach, but the findings of sector studies and the low quality of some of them raise doubts as to whether it is worthwhile to continue this form of privatization. The conclusions of these studies should be utilized while they still are topical.

Privatization through stock sales should be continued despite the deteriorating conditions, at least on the existing scale.

**Official on Public Administration Tasks, Elections***AU0203100192 Bucharest AZI in Romanian 25 Feb 92  
p 3*

[Interview with Doru Viorel Ursu, state secretary in the Local Public Administration Department, by Corina Cretu; place and date not given: "The Front Proved Its Honesty in the Elections"]

[Text] [Cretu] Mr. Doru Viorel Ursu, as state secretary in the Local Public Administration Department, we would like to ask you to explain what the establishment of the position of prefect of Bucharest means.

[Ursu] It means the continuation of the natural process of setting up local administration bodies, a process within which Bucharest and the Ilfov Agricultural Sector represent a case of their own. Thus, after the elections, Bucharest and the Ilfov Agricultural Sector were the only entities without a prefect.

[Cretu] What do you think of Mr. Doru Pana's nomination to this position?

[Ursu] In accordance with the Constitution, the appointment of prefects is the task of the government. Thus, Mr. Doru Pana's election is a government option and I personally view it as a very good choice.

[Cretu] In your view, what was the role of the department you are leading, and that of Mr. Mircea Teodor Vaida of the National Liberal Party [PNL], in organizing the local elections?

[Ursu] In the Local Public Administration Department I represent the National Salvation Front [FSN], and my mandate was a clearly loyal mandate of balance and political honesty and by no means a mandate through which we want to put up barricades in front of political opponents. I want to emphasize that from this point of view, Romania is—I do not want to say in a strange situation—anyway, it is in a special and unique situation. On the one hand, the FSN is the main political formation in our country—the first round of elections proved this, too—and is now in a position to participate in a coalition government. At the same time, from the election point of view, the Front is confronting those with whom it cooperates in the government. Seen from this angle, I think that the mandate entrusted to me has once again proven the honesty of the FSN, which understood the specific nature of this electoral confrontation and which was, I should say, almost passive. And this is something I blame the Front for: the way it got involved in the election campaign.

[Cretu] If there had been instances of blatant frauds or major faults in organizing the local elections, who would have been blamed; the Front or the PNL?

[Ursu] I would like to be very clear. Although I represent the FSN, the moment I was entrusted with the position of state secretary in the Local Public Administration Department, I realized that first I have to play my role as

a public functionary who has to launch the process of setting up the local public administration. If this department has shortcomings, they belong to the state functionary Doru Viorel Ursu and not to the party he represents.

[Cretu] It is said that in certain constituencies elections were rigged, that there were blatant irregularities. Do you think that this criticism is exaggerated?

[Ursu] I do not think that there has been a lot of criticism. Almost unanimously, foreign observers made a positive assessment of the way in which the public administration organized these elections.

[Cretu] In an opposition paper—I do not recall which one—Mr. Vaida was accused of not making changes at the level of prefects and mayors prior to the elections. Of course, he was blamed for not trying to appoint opposition people. What do you think of this?

[Ursu] I do not think that this is my colleague's main mission. Anyhow, I am not an advocate of change for change's sake. In local administration, the function of administrator comes first; therefore, changes were possible and necessary only if one noted that there were elements to discredit or question the capability of those who held those positions. There was no room for political games.

[Cretu] Will you participate in the organization of the general elections?

[Ursu] I have assumed enough responsibilities in the eventful course of Romanian political activity. This is why I think the time has come for me to have a period of personal reflection and rest. This in no way means that I am thinking of another variant of political development, within another team or in another boat.

[Cretu] Thus, it is merely a rest.

[Ursu] Yes, I think it will be good for me to withdraw from the tumultuous political arena for a while.

**Interior Ministry Mission, Problems Discussed***92BA0542A Bucharest ROMANIA LIBERA  
in Romanian 7 Feb 92 pp 1, 3*

[Interview with Interior Minister Victor Babiuc by Florin Gabriel Marculescu; place and date not given: "The Interior Ministry on the Brink of Democratization"]

[Text] [Marculescu] Initially, your appointment as interior minister ran into the negative vote of the senators. How do you explain that attitude?

[Babiuc] I find it difficult to provide any explanation that I can be convinced is the truth, as long as I'm not familiar with all the underpinnings of that vote. What was even more surprising was the fact that the police knew the result of the vote even before it became public.

I, however, viewed it as an example of the Senate's freedom to uphold its own opinion about any person or issue falling within its competency, and I received it quite serenely, just as I did the next day's vote, after the discussions that the Front's parliamentary group in the Senate had with the prime minister and the Front leader.

[Marculescu] How were you received at the MI [Interior Ministry]?

[Babiuc] I'm tempted to think that I was well received. From the very first meeting with the Ministry's directorial collegium, and after that at every opportunity, I tried to make it clear that the minister's replacement was not intended as a vote of nonconfidence for the Ministry, that it was in the natural order of government changes, and that they need not be as concerned about the change of ministers as about the duties of the Ministry. I stressed that the Ministry must be politically neutral, that its ministers must behave like genuine professionals and fulfill the mission for which the Interior Ministry, the police, the Gendarmerie, etc., exist, and leave the politicking to the politicians. By preserving this kind of neutrality and professionalism they can fulfill not only the purposes for which they exist, but also protect themselves against whatever changes may come about in politics. It seems that in general I was understood, and so far my cooperation with the Ministry has been good, by and large.

[Marculescu] Aside from the matter of titles and uniforms, what do you think is the difference between the police and the former Militia?

[Babiuc] A good answer would probably need to be long, but I will try to give you a short one that should nevertheless cover the essentials. While the former Militia was preeminently a body of repression, the present police is designed to ensure public order and peace while protecting the citizen and his property. This is a basic idea about the purpose of the police that was directly sanctioned in the law of organization of the Ministry and that we are also endeavoring to express in the police draft bill on which we are now working. Of course, if you wanted to be malicious—but you are not, because you did not have time to interrupt—you could make a distinction between the legal provision I mentioned and what sometimes happens in practice. But we must not rush to generalize about this, either, because then we would need to discuss the matter of changing the mentality, which cannot be achieved from one day to the next. Nevertheless, I want to stress that general efforts are underway to enforce the spirit of the regulations I mentioned, something that can be noted at the level of the entire police.

[Marculescu] I suggest we go on to facts. What measures were taken against the MI officers implicated—as was proven by the ROMANIA LIBERA investigation "Land Mixed With Miners"—in deliberately provoking accidents at some Jiu Valley mines?

[Babiuc] I cannot give you a precise answer at this point because the investigation I ordered has not yet been completed. But I hope, as was the case with other matters signaled in your newspaper, not to remain amiss about it.

[Marculescu] Other facts: Has it been found out who killed the student Andrei Frumusanu? Are the names of those who molested journalists on various occasions known?

[Babiuc] The answer to the first question you can learn only from the Prosecutor's Office, which is investigating the events of September 1991. I don't exactly know what stage has been reached in the inquiries. As for your second question, it concerns three journalists: one from ROMANIA LIBERA, one from ROMANIA MARE, and one for UNIFAN Radio. Our inquiries to date have not helped uncover the persons responsible. They belong to those cases of unknown perpetrators, and although the police have a noteworthy record of solved cases (over 80 percent), in the three cases you brought up we failed to identify them. But the files are not closed. Also, it is not certain that the attacks occurred because the three persons in question were journalists.

[Marculescu] What are the relations between the police and the SRI [Romanian Intelligence Service]?

[Babiuc] This is a question I have answered on previous occasions and I don't think I have anything new to add. These are bodies with different duties between which there is neither confrontation nor overlapping. We cooperate to the extent that the SRI notifies us of actions whose investigation falls under police competence. For the rest, we are relatively indifferent to each other's activities.

[Marculescu] The MI is under dual control, being subordinated to both the government and the Supreme Defense Council of the country led by President Iliescu. Does this special position pose any special difficulties for you?

[Babiuc] I think you have a slight error there. The ministries, thus the MI, too, are subordinated only to the government (Article 115 of the Constitution). The organization of the Ministry follows the government's decisions, as opposed to the SRI, the SIE [expansion not given], or the USPP [expansion not given], which are controlled by the CSAT [presumably State Territorial Defense Committee]. The duties sanctioned in the law on national security or in the law on the organization and operation of the CSAT regarding national security—which to a certain extent do concern the MI, too—should not lead to the conclusion that the MI is subordinated to the body you mentioned. In fact, the minister of the interior is answerable for all his activities, like any other member of the executive, only to the government and Parliament.

[Marculescu] Regarding your last point, the SRI director enjoys a privileged situation compared to you, in that he is in fact a kind of prime minister. Do you think that this is a natural solution?

[Babiuc] Saying that he is a kind of prime minister may be an exaggeration, but since he is appointed by Parliament at the recommendation of the president, he certainly is in a privileged position. In fact, that body is privileged from other viewpoints, too, more so than similar bodies in countries with democratic traditions.

[Marculescu] Your answer lets through something of the ideas of the FSN [National Salvation Front] leader!

[Babiuc] I don't know much about that, nor am I concerned. I answered you with my personal viewpoint, more as a jurist familiar with the organization of various institutions in countries other than Romania, without any connection with my position as interior minister or member of the FSN.

[Marculescu] As a member of the FSN Executive Bureau, do you keep a neutral position toward the Iliescu-Roman conflict?

[Babiuc] I'm afraid our pictures of what is happening in the Front are at least partially at variance. In order to have a conflict within the Front, both personalities you named would have had to belong to the Front. However, as is known, Mr. Iliescu is no longer a member of the Front. In reality, I think there are at least two political orientations inside the Front (although there are more groups than that), a so-called reform and a so-called conservative orientation; those groups will resolve their disputes by political means within the Front, as the party statute envisages, not by involving outside persons or institutions in processes reminiscent of similar actions by a certain defunct party.

[Marculescu] To what specific processes are you referring?

[Babiuc] To implicating Parliament in examining the activities of a former government, although Parliament should be concerned with the incumbent government and leave it up to other bodies—such as the judiciary—to take care of any possible irregularities committed by a former government. That violated the principle of the separation of powers, something that I don't think bodes well a few weeks after the Constitution was passed. There were also hints of possible involvement by repressive bodies in examining the activities of certain persons, something that is evidently not a political means of resolving political differences. I could cite other examples, too, but I will stop here.

[Marculescu] Do we still have repressive bodies?

[Babiuc] Bodies of repression exist in every state. What is important is what interests they serve, how they are organized, who controls them, whether they can commit abuses or not, and other such considerations that raise

doubts about the citizens' means of defending themselves against the state or against those who use the state institutions abusively.

[Marculescu] To liven up the discussion a bit, could you cite the name of any such person?

[Babiuc] I could, but I don't think that would be opportune just now.

[Marculescu] You recently mentioned that the MI might become involved in local administration. What are we to understand by that?

[Babiuc] That is a matter that concerns us, and although the agreement reached between the FSN and PNL [National Liberal Party] when the government was formed prevents us from carrying out this intention, we are working on a draft bill which we will send to Parliament before the legislative elections, on the basis of which the future Parliament can solve this problem. I am referring to some of the specific activities of any interior ministry in a democratic country, such as were shared by the Romanian Interior Ministry in the first few years following World War II, and which were lost once the ministry was organized along typical communist lines. For example, appointing prefects at the recommendation of the interior minister; as heads of the local administration, the prefects are also the heads of the county police and gendarmerie. The MI also organized the general and local elections. The Ministry had an administrative court which handled conflicts of interests between the local authorities and private persons. The MI also incorporated additional institutions, such as the Central Institute of Statistics. In view of the developments in the organization of the ministries of interior in other democratic countries, we hope that activities such as the above will revert to the MI.

[Marculescu] To what extent does the police contribute to the correct and civilized progress of the current electoral campaign?

[Babiuc] This has been a matter of concern to me about which I had talks with the heads of several parties represented in Parliament: the National Peasant Christian Democratic Party, PNL, FSN, PNL-Young Wing, the Romanian Socialist Democratic Party, plus the Civic Alliance Party, whereas the Democratic Association of Hungarians in Romania and the Democratic Agrarian Party refused to talk to us. We discussed what they expect the police to do in order to ensure that the elections, including the electoral campaign, can proceed correctly and in complete freedom; at the same time, I told them what I expected from them along this line. The MI is involved, as is known, in ensuring peaceful and safe electoral events and in guarding the voting points. So far there have been no significant incidents. Let's hope that this will further be the case.

### Newly Appointed Bucharest Prefect Outlines Tasks

AU0303133892 Bucharest AZI in Romanian  
25 Feb 92 p 3

[Interview with Doru Pana, newly appointed prefect of Bucharest, by Vlad Petreanu; place and date not given: "I Have Established the Diagnosis of the Diseases Bucharest Is Suffering From"]

[Text] [Petreanu] Mr. Pana, on the evening of 20 February you were appointed prefect of Bucharest and of the Ilfov Agricultural Sector. You have the advantage of being familiar with the problems of our capital. How many of them did you solve in the almost four months when you held the position of general mayor of Bucharest?

[Pana] When I entered the Bucharest Town Hall I knew that I would not have much time available. Therefore, what I proposed first was to seek the answer to some of the questions regarding Bucharest: Why is there no heating and no drinking water, why are roads in the shape they are, why do we have such a poor supply system, what is the real level of delinquency, and why are there all these unfinished buildings.... All these questions have answers linked to each other and all of them lead to Bucharest's socioeconomic infrastructure. I think that toward the end of my activity I established a correct diagnosis for all our serious problems. I have identified the reasons for our poor heating system and I had the possibility to intervene on a short-term basis. At the beginning of the winter, all the thermal networks were in good repair, and overhauls in the transportation system had been concluded in good time. However, what we could not do anything about was the capacity of thermal plants, which is too low. In addition, not even that capacity was able to function at its maximum potential because of reduced fuel supplies. To solve this problem we need a government program for the modification of the heating system. Blueprints in this respect were submitted to the executives. Along another train of thought, the new team that is to take over the Town Hall will find all the necessary information in connection with the situation of the water supply system and a program for developing it. The same thing can also be said about the situation of roads and of supplies. I am glad that by the end of my mandate I was able to unblock housing construction through the support given by the mayorality to contract relations between many of the tenants' associations and the Imobiliara company. Thus the necessary funds were made available for starting housing projects. So far, 50 apartment houses have been the subject of such contracts and other auctions will take place next week. There are signs that this system functions well; sometimes up to 30 people show interest in the same building. The other aspects depend on the builders who—once the financial part is ensured—have no excuse for not beginning to work. Another success, I should say, is the establishment of a clear system of granting plots of

land for street construction and decongesting central areas by eliminating this asphyxiating street trading.

[Petreanu] What will your tasks be in the position of prefect?

[Pana] The role of the institution that I represent will be to ensure the lawfulness of public activity in Bucharest and the Ilfov Agricultural Sector. The Prefecture will control and verify the lawfulness of actions and decisions by local public administration. The prefect will also constitute the link between the local administration and central administration units; this is the link that has been missing so far.

[Petreanu] Will you be able to censor the decisions of the general mayor, for instance?

[Pana] No, not in any case. There is no subordination relationship between the Town Hall and Prefecture. The mayor is fully independent, but the Prefecture's duty is to verify the correctness of mayoral dispositions and it has the obligation to contest these dispositions in court if they are not legal. This activity will be carried out by a team of lawyers that will be set up as soon as possible.

[Petreanu] Thank you.

### Spiroiu Comments on Weapons Production, Exports

AU0303141292 Bucharest ROMPRES in English  
1137 GMT 3 Mar 92

[Text] Bucharest ROMPRES 3/3/1992—The Romanian military equipment export is no more than token export which duly observes all embargo areas, including Yugoslavia, says Romania's Defence Minister Nicolae Spiroiu in an interview with TINERETUL LIBER. "Romania has developed a defence industry to equip its Army, an industry which in 1989 and generally after 1982, met its own needs in a proportion of over 95 percent. There were times when it also had a surplus, so it exported military equipment. But every time it abided by the embargoes that the international bodies ruled. Currently, against the background of an economic recession, weapons production has also fallen considerably."

In answer to a question, the minister said that until not long ago a sense of insecurity prevailed in East European countries like Romania and Bulgaria where the West was perceived as discriminating between former Warsaw Treaty members, viz between East European countries and Central European countries. However, since last summer NATO has done a lot to lessen such discriminations and [NATO Secretary General] Mr. Woerner said he would take further action on that line when he visited Bucharest not long ago.



**Law on Vacation, Other Benefits for Workers**

92BA0535Z Bucharest MONITORUL OFICIAL  
in Romanian 10 Feb 92 pp 1-3

["Text" of law on employee annual and other vacation time, issued in Bucharest on 5 February 1992]

[Text] The Romanian Parliament passes the present law.

**Article 1**

(1) Each calendar year employees are entitled to a paid annual vacation of at least 18 working days.

(2) For youth under the age of 18 the minimum annual vacation is 24 working days.

(3) The length of the annual vacation established under the present law applies yearly.

**Article 2**

(1) Employees engaged in hard, dangerous, or harmful labor or employed in jobs at which such conditions prevail, determined in accordance with Law No. 31/1991, are entitled to at least three additional vacation days per year.

(2) Blind employees are entitled to six additional vacation days per calendar year.

(3) Employees classified as physically handicapped are entitled to three additional vacation days per calendar year.

(4) The additional annual vacation days granted under paragraph (1) will be cumulated with the other vacation days granted under paragraphs (2) or (3), according to case.

**Article 3**

Throughout the duration of the annual vacation the employees are entitled to an allowance that may not be lower than the sum total of the base pay, length of service increment, and allowance for managerial positions.

**Article 4**

(1) The duration of the annual and additional vacation days and the amount of the allowance due for it for each employee will be established under the individual labor contract, in keeping with the provisions of the present law and with the clauses negotiated under the collective labor contract.

(2) Upon negotiating the length of annual vacation time, the social partners may also take into account the employees' length of service.

**Article 5**

(1) The regulations on taking annual vacation days and receiving money compensations for vacation days not taken will be established under collective labor contracts.

(2) Annual vacation days will be scheduled yearly by the management jointly with the representatives of the trade unions or the employees, according to case.

(3) Money compensations for annual vacation days not taken is permissible only in the following cases:

- a) The employee's labor contract has ended;
- b) The employee is called up for military service;
- c) The compensation is specifically stipulated in a special law.

**Article 6**

The personnel of the public administration, courts and prosecutor's offices, and other state bodies are entitled to at least 21 working days in paid annual vacation every year.

**Article 7**

The regulations concerning the length of annual and supplementary vacation days, the amount of the allowance due, the scheduling, taking, interruption, and postponement of annual vacation time, and money compensations for vacation days not taken will be established, within the limits and in compliance with the provisions of the present law, by:

- a) A government decision—for the employees of public administration, autonomous managements with a special status, and units funded from the budget;
- b) Regulations—for employees of the judiciary, prosecutor's office, and other state institutions.

**Article 8**

(1) Teaching staff will be entitled to annual vacation time of the same length as the end-of-year break, but no less than 62 calendar days.

(2) Teaching staff will be entitled to full annual vacation time if they worked throughout the school or university year. If they were hired after the beginning of the school or university year, the length of vacation time will be prorated to the time between the date of hiring and the end of the school or university year.

(3) Certified personnel employed in scientific research will be entitled to at least 24 working days of annual vacation.

**Article 9**

Any agreement by which the right to annual vacation time is partially or entirely forfeited is forbidden.

**Article 10**

(1) In addition to annual vacation time, employees are entitled to paid days off for special family events.

(2) Employees are entitled to unpaid leave for the purpose of handling personal situations.

(3) The situations in which employees are entitled to paid days off or unpaid leave, the procedure involved in granting such leave, and the number of days will be established in keeping with Article 5, paragraph (1) or, according to case, Article 7, which will be duly implemented.

#### Article 11

Economic enterprises, autonomous managements, and other economic units financed by mixed state or private capital, public institutions, the central and local public administration, and other state bodies will ensure that by 31 December 1992 all the employees have taken their annual vacation days for 1992 and previous years. If taking annual vacation days is not possible, money compensations will be ensured for the vacation days not taken in keeping with the legal provisions in effect during the period for which the vacation time not taken was due.

#### Article 12

(1) The present law will be implemented as of 1992.

(2) The laws and provisions concerning annual and supplementary vacation days and unpaid leave featured in the annex to the present law, and any other provisions to the contrary, are abrogated.

This law was passed by the Chamber of Deputies at its 28 January 1992 session, in compliance with Article 74, paragraph (1) of Romania's Constitution.

President of the Chamber of Deputies  
Dan Martian

This law was passed by the Senate at its 28 January 1992 session, in compliance with Article 74, paragraph (1) of Romania's Constitution.

President of the Senate  
Academician Alexandru Birladeanu

Bucharest, 5 February 1992  
No. 6

#### ANNEX

##### List of Legal Acts and Provisions Concerning Annual and Supplementary Vacation Days and Unpaid Leave Granted for Personal Reasons That Are Abrogated

##### I. Legal acts abrogated in their entirety:

—Law No. 26/1967 on employees' annual vacation time.

—Decree No. 338/1983 on amending Law No. 26/1967 on employees' annual vacation time.

—Council of Ministers Decision No. 1149/1968 on criteria for determining the work places subject to special conditions for which supplementary annual vacation days are awarded and the work places for which the length of the supplementary annual vacation time may exceed 12 working days.

—Government Decision No. 436/1990 on determining the work places or activities that entitle employees to supplementary annual vacation days, and the length of such vacation.

—Government Decision No. 650/1990 on the annual vacation time of personnel employed in units controlled by the Ministry of Light Industry.

II. Provisions regarding annual vacation, supplementary annual vacation, and unpaid leave for personal reasons that are abrogated which are included in the following legal acts:

—Articles 125, 126, and 163 of the Labor Code—Law No. 10/1972.

—Decree-Law No. 98/1990 on certain benefits for railway personnel.

—Government Decision No. 163/1990 on certain benefits regarding the activities and enterprises of the Ministry of Electrical Engineering and Electronic Industry.

—Government Decision No. 1654/1990 on certain benefits for the personnel of nonferrous metallurgical combines.

—Government Decision No. 178/1990 on certain benefits for the personnel of the chemical enterprises Carbosim, Copsa Mica, and of the carbon black processing and packaging factory of the Pitesti Petroleum Combine.

—Government Decision No. 199/1990 on certain benefits for the personnel of the Copsa Mica nonferrous metallurgical combine.

—Government Decision No. 266/1990 on certain benefits for the personnel of the extractive, oil, and gas industry.

—Government Decision No. 267/1990 on certain benefits for the personnel of the mining industry.

—Government Decision No. 268/1990 on certain measures to improve work at units controlled by the Ministry of Metallurgical Industry.

—Government Decision No. 314/1990 on certain measures to improve conditions and award certain benefits for the personnel employed in geological activities.

—Government Decision No. 542/1990 on establishing certain benefits for personnel employed in plants, sections, and teams engaged in steel processing, casting plants, foundries, thermal treatment plants, and metal-plating plants in the machine-building industry.

—Government Decision No. 610/1990 on certain benefits for the blind.

—Government Decision No. 672/1990 on certain benefits for the personnel of industrial enterprises, units, and branches, port authorities, and technical services

belonging to the Department of Construction Material Industry and Installations of the Ministry of Construction.

—Government Decision No. 811/1990 on certain benefits for the personnel of the Timber Industry Department.

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